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LEGISLATIVE HISTORY

Public Law 85--81st Congress

Chapter 175--1st Session

S. 900

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COMMODITY CREDIT CORPORATION CHARTER ACT, amendments.

S. 900 amends the Commodity Credit Corporation Charter Act in the following respects: Returns CCC to the supervision and direction of the Secretary. Increases the number of members of the Board of Directors from five to seven. Provides that the Secretary serve as ex officio director and as Chairman of the Board. Provides that the other members of the Board be appointed by the President subject to Senate confirmation. Removes the limitation upon the appointment of directors who are otherwise employees of the Federal Government. In addition, provides for a bi-partisan advisory board of five members, to be appointed by the President without Senate confirmation.

While continuing to direct CCC to utilize to the maximum extent practicable the normal channels of trade and commerce, permits the Corporation to acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation. Requires CCC, before providing facilities for any commodity, to determine that existing privately owned storage facilities in the area concerned are not adequate, and prohibits acquisition of cold-storage facilities except with funds specifically provided by Congress for that purpose. A special provision directs the Corporation to make available loans to grain growers for acquisition of farm storage facilities, which loans are to be deducted from the proceeds of price support loans and purchase agreements.

Makes certain technical amendments, restoring to the Court of Claims jurisdiction over suits against the U. S. arising out of the operations of CCC and increasing the period of time within which suits may be brought by or against the Corporation from four to six years, making this limitation uniform with that applicable generally to suits against the U. S. Prohibits the unauthorized use of the name of the Corporation.

Provides for exchange of agricultural commodities acquired by CCC for strategic and critical materials produced abroad. The strategic and critical materials so acquired would be transferred to the stockpile created pursuant to the Strategic and Critical Materials Stock Piling Act, and the Corporation would be reimbursed from funds available for the purposes of that Act for the fair market value of the materials delivered to the stock pile.

INDEX AND SUMMARY OF HISTORY ON S. 900

February 10, 1949 Senate received a proposal from the Department of Agriculture to amend the Commodity Credit Corporation Charter Act and the Strategic and Critical Materials Stock Piling Act so as to authorize CCC to provide storage facilities, to place the CCC Board under the Secretary, and to provide for cancellation of CCC notes when its commodities are exchanged for strategic and critical materials.

S. 900 was introduced by Senator Thomas and Others and was referred to the Senate Committee on Agriculture and Forestry. Print of the bill as introduced. S. 900 does not include the provision regarding exchange of materials to be acquired under the Strategic and Critical Materials Stockpiling Act, although the title of the bill does mention the Act.

February 14, 1949 H. R. 2682 was introduced by Rep. Spence and was referred to the House Committee on Banking and Currency. [Print of the bill as introduced.] (Companion bill).

February 16, 1949 Hearings: Senate, S. 900.

[February 21, 1949 Print of an amendment proposed by Senator Maybank to S. 900.]

March 16, 1949 Senate Committee reported S. 900 with amendments. Senate Report 125. [Print of the bill as reported.]

As reported, S. 900 places the Corporation under the supervision and direction of the Secretary of Agriculture; provides for a board of directors consisting of six members to be appointed by the Secretary; provides for an advisory board; which would meet at least every 90 days; authorizes the Corporation to acquire real property for storage facilities (other than storage for cotton or tobacco); and enables the Corporation and persons having claims against the Corporation to plead set-offs and counter-claims which are barred by the statute of limitations.

March 18, 1949 Senate discussed and passed over S. 900.

[Print of an amendment proposed by Senator Butler to S. 900.]

March 21, 1949 Hearings: House, H. R. 2682.

[March 22, 1949 Print of an amendment proposed by Senator Williams to S. 900.]

April 9, 1949 House Committee reported H. R. 2682 with amendments. House Report 418. [Print of the bill as reported.]

The House Committee amended H. R. 2682 to include the provisions of S. 900 and added the following restrictions regarding storage facilities: Storage facilities for commodities to be acquired only when existing privately owned facilities for such commodity in the area concerned is not adequate.

April 11, 1949 Senate discussed and passed over S. 900.

April 18, 1949 Print of an amendment proposed by Senator Butler to S. 900.

April 20, 1949 Print of amendments proposed by Senator Anderson to S. 900.

April 22, 1949 Print of an amendment proposed by Sen. Williams to S. 900.

April 22, 1949 Senate began debate on S. 900.

Print of an amendment proposed by Sen. Butler to S. 900.

April 25, 1949 Senate concluded debate and passed S. 900 with amendments.

Agreed to the following amendments: Committee amendments, except that the Butler amendment to a committee amendment was adopted, to prohibit CCC from providing refrigerated cold storage (pp. 5064-6).

Anderson amendment, providing that CCC shall acquire real property for storage facilities only when private facilities are not available (pp. 5066-9).

Williams amendment, to strike out the provision that the CCC Board be under the direction, control, and supervision of the Secretary (p. 5076).

Thomas of Okla. amendment, to increase the number of Board members to 7 but provide for their appointment by the President and confirmation by the Senate (p. 5077).

Anderson amendment, to authorize CCC to be reimbursed, from stockpiling appropriations, in connection with exchanges of farm products for strategic and critical materials, after rejecting a Gurney amendment to limit the amount to \$250,000,000 and after agreeing to a modification of the amendment by Sen. Anderson to provide for regular procedure to be followed in determining which materials are strategic and critical (pp. 5077-9).

Senator Brewster, Maine, discussed the potato program (pp. 5073-6). Senator Saltonstall, Mass., inserted a statement of purchases and sales proceeds, by commodity, all programs of CCC, fiscal year 1949 through Feb. 28, 1949 (pp. 5056-8).

April 26, 1949 Senator Williams discussed irregularities in CCC operations.

May 9, 1949 House Rules Committee reported H. Res. 208 for the consideration of H. R. 2682. House Report 546. Print of the measure.

May 10, 1949 House began debate on H. R. 2682.

May 11, 1949 House Concluded debate and passed H. R. 2682 by a vote of 326-52. Language of H. R. 2682 was substituted for that of S. 900. The complete text of the Senate and House versions was printed in the Record (pp. 6180-2).

The House took the following actions during debate on H. R. 2682:

Agreed to the following amendments:

By Rep. Keating, N. Y., to change the provision regarding suits against the Corporation (p. 6168).

By Rep. Brown, Ga., to provide for use of private channels in carrying out the strategic-materials provision and to expand the authority under this provision (p. 6169).

By Rep. Phillips, Calif., (144-139) to provide for loans for farm storage facilities (pp. 6178-9).

Rejected the following amendments:

By Rep. Wolcott, Mich., (68-78) to strike out the provision placing the CCC Board under the Secretary (pp. 6164-5).

By Rep. Case, S. Dak., to specifically include metal scrap under the strategic-materials provision (p. 6169).

By Rep. Sutton, Tenn., (130-133) to exempt cotton and tobacco from the storage provision, except for rented space (pp. 6170-7).

By Rep. Young, Ohio, (119-132) to exempt cold-storage facilities from the storage authorization (pp. 6177-8). Earlier agreed to, 126-125 (pp. 6170-6).

May 16, 1949

House and Senate Conferees were appointed.

May 19, 1949

House received the Conference Report. House Report 643.

May 24, 1949

House agreed to the Conference Report by a vote of 158-28.

May 25, 1949

Senate debated the Conference Report.

May 26, 1949

Senate rejected the Conference Report by a vote of 33-47. Senate Conferees were appointed for a further conference.

June 1, 1949

House Conferees were appointed for a further conference.

June 2, 1949

Both Houses received and agreed to second Conference Report. House Report 723.

The second Conference Report differs from the first one by providing that members of the Board of Directors shall be appointed by the President and confirmed by the Senate but that members of the Advisory Board shall be appointed by the President without Senate confirmation.

June 7, 1949

Remarks of Senator Williams on interpretation of certain phrase of CCC Act.

Approved. Public Law 85.

81ST CONGRESS
1ST SESSION

S. 900

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1949

Mr. THOMAS of Oklahoma (for himself, Mr. LUCAS, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. HOLLAND, Mr. ANDERSON, Mr. THYE, Mr. YOUNG, and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Commodity Credit Corporation Charter
4 Act (Public Law No. 806, Eightieth Congress) is amended
5 by deleting the words "direction and control of its Board
6 of Directors" at the end of the said section and substituting
7 therefor the words "supervision and direction of the Secre-
8 tary of Agriculture (hereinafter referred to as the 'Secre-
9 tary')".

1 SEC. 2. Section 4 (b) of the said Commodity Credit
2 Corporation Charter Act is amended by deleting the second
3 sentence thereof and inserting in its place the following:
4 “The Corporation shall have power to acquire personal
5 property necessary to the conduct of its business but shall
6 not have power to acquire real property or any interest
7 therein except that it may (a) rent or lease office space
8 necessary for the conduct of its business and (b) acquire real
9 property or any interest therein for the purpose of providing
10 storage adequate to carry out effectively and efficiently any
11 of the Corporation’s programs, or of securing or discharging
12 obligations owing to the Corporation, or of otherwise pro-
13 tecting the financial interests of the Corporation.”

14 SEC. 3. Section 9 of the said Commodity Credit Cor-
15 poration Charter Act is amended to read as follows:

16 “SEC. 9. DIRECTORS: The management of the Corpo-
17 ration shall be vested in a board of directors (hereinafter
18 referred to as the ‘Board’, subject to the general supervision
19 and direction of the Secretary. The Secretary shall be an
20 ex officio director and shall serve as Chairman of the Board.
21 The Board shall consist of not less than six nor more than
22 ten members (in addition to the Secretary), who shall be
23 appointed by, and hold office at the pleasure of, the Secre-
24 tary. In addition to their duties as members of the Board,

1 such appointed members shall perform such other duties as
2 may be prescribed by the Secretary. Each appointed mem-
3 ber of the Board shall receive compensation at such rate
4 not in excess of the maximum then payable under the
5 Classification Act of 1923, as amended, as may be fixed by
6 the Secretary, except that any such member who holds an-
7 other office or position under the Federal Government the
8 compensation for which exceeds such rate may elect to
9 receive compensation at the rate provided for such other
10 office or position in lieu of the compensation provided by
11 this section. A majority of the minimum number of direc-
12 tors required on the Board shall constitute a quorum of
13 the Board and action shall be taken only by a majority vote
14 of those present.”

15 .SEC. 4. Section 10 of the said Commodity Credit Cor-
16 poration Charter Act is amended to read as follows:

17 “SEC. 10. PERSONNEL OF CORPORATION: The Secre-
18 tary shall appoint such officers and employees as may be
19 necessary for the conduct of the business of the Corpora-
20 tion, define their authority and duties, delegate to them
21 such of the powers vested in the Corporation as he may
22 determine, require that such of them as he may designate
23 be bonded and fix the penalties therefor. The Corporation
24 may pay the premium of any bond or bonds. With the

1 exception of experts, appointments shall be made pursuant
2 to the civil-service laws and the Classification Act of 1923,
3 as amended (5 U. S. C., 1946 ed., 661)."

4 SEC. 5. Section 4 (c) of the Commodity Credit Cor-
5 poration Charter Act is amended by inserting after the sen-
6 tence, "No suit by or against the Corporation shall be
7 allowed unless it shall have been brought within four years
8 after the right accrued on which suit is brought", the follow-
9 ing sentence: "The defendant in any suit by or against the
10 Corporation may plead, by way of set-off or counterclaim,
11 any cause of action, whether arising out of the same trans-
12 action or not, which would otherwise be barred by such four-
13 year period of limitation if the claim upon which the
14 defendant's cause of action is based had not been barred
15 prior to the date that the plaintiff's cause of action arose:
16 *Provided*, That the defendant shall not be awarded a judg-
17 ment on any such set-off or counterclaim for any amount in
18 excess of the amount of the plaintiff's claim established in the
19 suit."

20 SEC. 6. Section 15 of the Commodity Credit Corporation
21 Charter Act is amended by adding at the end thereof a new
22 subsection as follows:

23 "USE OF WORDS 'COMMODITY CREDIT CORPORATION'

24 "(f) No individual, association, partnership, or corpora-
25 tion shall use the words 'Commodity Credit Corporation' or

1 a combination of those three words, as the name or a part
2 thereof under which he or it shall do or purport to do busi-
3 ness. Every individual, partnership, association, or corpora-
4 tion violating this prohibition shall be guilty of a misde-
5 meanor and shall be punished by a fine of not more than
6 \$1,000 or by imprisonment for not more than one year, or
7 both."

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

By Mr. THOMAS of Oklahoma, Mr. LUCAS, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. HOLLAND, Mr. ANDERSON, Mr. THYE, Mr. YOUNG, and Mr. HICKENLOOPER

FEBRUARY 10, 1949

Read twice and referred to the Committee on
Agriculture and Forestry



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 81st CONGRESS, FIRST SESSION

Vol. 95

WASHINGTON, THURSDAY, FEBRUARY 10, 1949

No. 19

Senate

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, all the ways of our direct needs lead to Thee, and to Thy everlasting mercy. For this quiet moment before the pressing concerns of a new day move in upon us, wilt Thou lift us from the confusion and bafflement of these desperate times into the unhurried, healing calm of Thy presence. Solemnize us with the responsibility of ability, as we face decisions affecting the lives and fortunes of untold millions who look eagerly to these halls of council for the wise word and the right action. Grant us so to know Thee that we may truly love Thee, and so to love Thee that we may freely serve Thee, to the honor and glory of Thy great Name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, February 8, 1949, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF A BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on February 9, 1949, the President had approved and signed the act (S. 547) to continue through September 30, 1949, certain authority conferred on the President by section 2 of Public Law 395, Eightieth Congress, regarding voluntary agreements and plans.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 128) to provide that acreage planted to cotton in 1949 shall not be used in computing cotton acreage allotments for any subsequent year; asked a conference with the Senate on the disagreeing votes of the two Houses thereon; and that Mr. COOLEY, Mr. RACE, Mr. POAGE, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 1211. An act to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes; and

H. R. 1243. An act to amend the Hatch Act.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 19) to express the sense of the Congress with respect to the arrest and imprisonment of Archbishop Stepinac of Yugoslavia and Cardinal Mindszenty of Hungary, in which it requested the concurrence of the Senate.

TRIAL AND SENTENCE OF JOSEF CARDINAL MINDSZENTY

Mr. TYDINGS. Mr. President, I ask unanimous consent that I may proceed for 2 minutes.

The VICE PRESIDENT. Is there objection?

Mr. WHERRY. Mr. President, I inquire, did not the Senate meet after an adjournment, and are we not in the morning hour?

The VICE PRESIDENT. Yes.

Mr. WHERRY. There is no objection, so far as I am concerned.

Mr. BRIDGES. Reserving the right to object, I shall not object to the Senator's request, but I should like to point out—

Mr. TYDINGS. I may say to the Senator that the matter about which I desire to make a short statement is one of great public interest at the present time.

Mr. BRIDGES. I do not intend to object, but I point out that objection was raised when I made a request a few days ago, and I am not going to see the rule generally violated and then having its enforcement applied to this side of the aisle, particularly to me personally. But I shall not object in the present instance.

Mr. TYDINGS. I thank the Senator.

Mr. LUCAS. Mr. President, I wish to say that I agree with the Senator from New Hampshire. I did not object to his request.

Mr. BRIDGES. I know the Senator did not.

Mr. LUCAS. The Senator looked at me as though I might have made the objection.

Mr. BRIDGES. Oh, no.

Mr. TYDINGS. Mr. President, the trial and sentencing of Cardinal Mindszenty makes one of the darkest spots on the pages of history. It is a throw-back to barbarism; to human slavery of both the mind and body.

Freedom of thought was put on trial, and one of the world's leading church figures was humiliated because of the exercise of this God-given right.

Freedom of religion was put on trial, and the great prelate was condemned because he would not renounce his God.

Freedom of conscience was put on trial, and this towering pillar of the church was humbled because he would not barter away his sense of right and wrong.

Cardinal Mindszenty made the decision to be a free man rather than a tool; to be a man of God rather than a cog in an evil machine; to be a proud patriot rather than a slinking traitor; to be a martyr rather than let the dark night, with its human bondage, fall upon his people unchallenged.

Before the jury of the civilized world, he stands forth as innocent. In the eyes of the world this courtroom in Hungary will be known, not as a temple of justice, but the temple of shame.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Eastland	Humphrey
Baldwin	Ferguson	Hunt
Bricker	Frear	Ives
Bridges	Fulbright	Johnson, Colo.
Broughton	George	Johnson, Tex.
Byrd	Gillette	Johnston, S. C.
Cain	Gurney	Kefauver
Capehart	Hayden	Kerr
Chapman	Hendrickson	Kilgore
Chavez	Hickenlooper	Knowland
Connally	Hill	Langer
Cordon	Hoey	Lodge
Douglas	Holland	Long

Lucas	O'Connor	Taylor
McClellan	O'Mahoney	Thomas, Okla.
McFarland	Pepper	Thomas, Utah
McGrath	Reed	Thye
McKellar	Robertson	Tobey
McMahon	Russell	Tydings
Magnuson	Saltonstall	Watkins
Maybank	Schoeppel	Wherry
Miller	Smith, Maine	Wiley
Morse	Smith, N. J.	Williams
Mundt	Sparkman	Withers
Myers	Stennis	Young
Neely	Taft	

Mr. MYERS. I announce that the Senator from California [Mr. DOWNEY], the Senator from Louisiana [Mr. ELLENDER], and the Senator from Nevada [Mr. McCARRAN] are absent on official business.

The Senator from Rhode Island [Mr. GREEN] is absent by leave of the Senate on official business.

The Senator from Montana [Mr. MURRAY] is absent on public business.

The Senator from New York [Mr. WAGNER] is necessarily absent.

Mr. SALTONSTALL. I announce that the senior Senator from Vermont [Mr. AIKEN], the Senator from Missouri [Mr. DONNELL], the junior Senator from Vermont [Mr. FLANDERS], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Michigan [Mr. VANDENBERG] are absent by leave of the Senate.

The Senator from Maine [Mr. BREWSTER], the Senator from Nebraska [Mr. BUTLER], the Senator from Montana [Mr. ECTON], the Senator from Pennsylvania [Mr. MARTIN], the Senator from Nevada [Mr. MALONE], and the Senator from Wisconsin [Mr. McCARTHY] are absent on official business.

The Senator from Indiana [Mr. JENNER] and the Senator from Missouri [Mr. KEM] are necessarily absent.

The VICE PRESIDENT. Seventy-seven Senators having answered to their names, a quorum is present.

READING OF GEORGE WASHINGTON'S FAREWELL ADDRESS

The VICE PRESIDENT. Under a permanent order of the Senate it becomes the duty of the Presiding Officer to designate some Senator to read the Farewell Address of George Washington on the 22d day of this month. The appointment alternates between the two parties. This year the appointment falls to the Republican side of the Chamber, and the Chair takes pleasure in designating the Senator from Maine [Mrs. SMITH] to read the Farewell Address on the 22d.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

AMENDMENT OF UNITED NATIONS PARTICIPATION ACT OF 1945

A letter from the Secretary of State, transmitting a draft of proposed legislation to amend the United Nations Participation Act of 1945 to provide for the appointment of representatives of the United States in the organs and agencies of the United Nations, and to make other provision with respect to the participation of the United States in such organizations (with an accompanying paper); to the Committee on Foreign Relations.

CERTAIN INCREASES IN ANNUITIES UNDER FOREIGN SERVICE RETIREMENT AND DISABILITY SYSTEM

A letter from the Secretary of State, transmitting a draft of proposed legislation to

make certain increases in the annuities of annuitants under the Foreign Service Retirement and Disability System in view of the increased cost of living (with an accompanying paper); to the Committee on Foreign Relations.

CONSOLIDATION OF PARKER DAM AND DAVIS DAM PROJECTS

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to consolidate the Parker Dam power project and the Davis Dam project (with an accompanying paper); to the Committee on Interior and Insular Affairs.

RELIEF OF CERTAIN OFFICERS AND EMPLOYEES OF OFFICE OF UNITED STATES HIGH COMMISSIONER TO THE PHILIPPINES

A letter from the Secretary of the Interior, transmitting a draft of proposed legislation for the relief of certain officers and employees of the Office of the United States High Commissioner to the Philippine Islands who suffered losses of personal property by reason of war conditions (with an accompanying paper); to the Committee on the Judiciary.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER AND STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACTS

A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT OF NATIONAL LABOR RELATIONS BOARD

A letter from the Chairman of the National Labor Relations Board, transmitting, pursuant to law, the thirteenth annual report of that Board for the fiscal year ended June 30, 1948, together with lists containing the names, salaries, and duties of all employees and officers in the employ or under the supervision of the Board (with accompanying papers); to the Committee on Labor and Public Welfare.

REPORT OF NATIONAL SOCIETY OF DAUGHTERS OF AMERICAN REVOLUTION

A letter from the secretary, National Society of the Daughters of the American Revolution, transmitting, pursuant to law, the annual report of that society, for the year ended April 1, 1948 (with accompanying papers); to the Committee on Rules and Administration.

REPORT OF COMMISSION ON ORGANIZATION OF EXECUTIVE BRANCH OF THE GOVERNMENT—PERSONNEL MANAGEMENT (H. DOC. NO. 63)

A letter from the Chairman of the Commission on Organization of the Executive Branch of the Government, transmitting, pursuant to law, a report of that Commission on personnel management, and, separately, as appendix A, a report of the personnel policy committee assigned to examine the activity in the executive branch (with accompanying papers); to the Committee on Expenditures in the Executive Departments.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A joint memorial of the Legislature of the State of New Mexico; to the Committee on Interior and Insular Affairs:

"Senate Joint Memorial 2

"Joint memorial by the Nineteenth Legislature of the State of New Mexico, memorializing the Congress of the United States to enact specific legislation that will provide adequate assistance to all needy Indians now residing on reservations

"Whereas there are various tribes of Indians within the State of New Mexico who

live on reservations under Federal supervision and control; and

"Whereas the Supreme Court of the United States has held that reservation Indians are wards of the Federal Government and, therefore, under the complete jurisdiction and control of Congress; and

"Whereas the relief and welfare needs of these Indians have been generally considered to be the responsibility of the Federal Government in the same manner as the health and education needs of reservation Indians; and

"Whereas many of the needs of some tribes have been so inadequately met by the Federal Government and these tribes have been reduced to such a low level of squalor and misery that rehabilitation and relief will be a very expensive undertaking; and

"Whereas the provisions of the Social Security Act impose upon the State of New Mexico a responsibility to Indians on reservations in spite of the fact that they are wards of the Federal Government; and

"Whereas the State of New Mexico, with a low per capita income, finds it very difficult to provide revenue to meet the current assistance requirements of its needy population; and

"Whereas if New Mexico must provide additional revenue for assistance to reservation Indians, assistance levels for all needy persons in the State could not and would not approach a standard compatible with decency and health; Now, therefore, be it

Resolved, That the Congress of the United States be and is hereby memorialized to enact adequate legislation that will provide to needy Indians monetary assistance which cannot be provided through State funds and Federal funds available under the present matching formula of the Social Security Act. Approved by me this 31st day of January 1949.

"THOMAS J. MAERY,
Governor, State of New Mexico."

A resolution of the Legislature of the State of New York; to the Committee on Foreign Relations:

"Whereas Josef Cardinal Mindszenty is suffering the cruellest persecution of mind and soul for his faith in God and the love of his fellowmen; and

"Whereas his torturers are the enemies of God and all freedom loving men; and

"Whereas his mock trial represents the cruel din of the dirge of infamy calling upon the hapless minions of communism to open warfare against God-fearing people throughout the world; and

"Whereas freedom of religion and its expression are the strongest citadel against the onslaughts of communism; and

"Whereas the eradication of the belief in God is the first order of communistic expansion; and

"Whereas communistic warfare is waged alike against all religion; and

"Whereas this inhuman episode, called a trial, brings out in the open, with all its panoply of barbaric raiment, the dastardly, demoralizing and destructive figure of atheistic communism; and

"Whereas the mockery of this trial has laid bare the sword of Attila which would destroy all who stand in the way of communism; and

"Whereas because of its implications, the trial of Cardinal Mindszenty is of most serious concern to the people of the world, for it is a method to deprive these people of their inalienable right to freedom of worship; and

"Whereas we shrink in horror as we contemplate what further acts of cruelty and vandalism will be perpetrated against those in the world who dare place God above paganism, liberty above tyranny and life above mass slavery; and

"Whereas in our sorrow at the shame inflicted upon this good man, we condemn

81st CONGRESS
1st Session

H. R. 2682

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Commodity Credit Corporation Charter
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5 amended by deleting the words "direction and control of its
6 Board of Directors" at the end of the said section and sub-
7 stituting therefor the words "supervision and direction of
8 the Secretary of Agriculture (hereinafter referred to as the
9 'Secretary')".

10 SEC. 2. Section 4 (h) of the said Commodity Credit
11 Corporation Charter Act is amended by deleting the second

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2 “The Corporation shall have power to acquire personal
3 property necessary to the conduct of its business but shall not
4 have power to acquire real property or any interest therein
5 except that it may (a) rent or lease office space necessary
6 for the conduct of its business and (b) acquire real property
7 or any interest therein for the purpose of providing storage
8 adequate to carry out effectively and efficiently any of the
9 Corporation’s programs, or of securing or discharging obliga-
10 tions owing to the Corporation, or of otherwise protecting
11 the financial interests of the Corporation.”

12 SEC. 3. Section 9 of the said Commodity Credit Cor-
13 poration Charter Act is amended to read as follows:

14 “SEC. 9. Directors: The management of the Corpora-
15 tion shall be vested in a board of directors (hereinafter re-
16 ferred to as the ‘Board’), subject to the general supervision
17 and direction of the Secretary. The Secretary shall be an
18 ex officio director and shall serve as Chairman of the Board.
19 The Board shall consist of not less than six nor more than
20 ten members (in addition to the Secretary), who shall be
21 appointed by, and hold office at the pleasure of, the Secre-
22 tary. In addition to their duties as members of the Board,
23 such appointed members shall perform such other duties as
24 may be prescribed by the Secretary. Each appointed mem-
25 ber of the Board shall receive compensation at such rate not

1 in excess of the maximum then payable under the Classifi-
2 cation Act of 1923, as amended, as may be fixed by the
3 Secretary, except that any such member who holds another
4 office or position under the Federal Government the com-
5 pensation for which exceeds such rate may elect to receive
6 compensation at the rate provided for such other office or
7 position in lieu of the compensation provided by this section.
8 A majority of the minimum number of directors required on
9 the Board shall constitute a quorum of the Board and action
10 shall be taken only by a majority vote of those present.”

11 SEC. 4. Section 10 of the said Commodity Credit Cor-
12 poration Charter Act is amended to read as follows:

13 “SEC. 10. Personnel of Corporation: The Secretary shall
14 appoint such officers and employees as may be necessary
15 for the conduct of the business of the Corporation, define
16 their authority and duties, delegate to them such of the
17 powers vested in the Corporation as he may determine,
18 require that such of them as he may designate be bonded
19 and fix the penalties therefor. The Corporation may pay
20 the premium of any bond or bonds. With the exception
21 of experts, appointments shall be made pursuant to the civil
22 service laws and the Classification Act of 1923, as amended
23 (5 U. S. C., 1946 edition, 661).”

24 SEC. 5. Section 4 (c) of the Commodity Credit Cor-
25 poration Charter Act is amended by inserting after the sen-

1 tence, "No suit by or against the Corporation shall be al-
 2 lowed unless it shall have been brought within four years
 3 after the right accrued on which suit is brought", the fol-
 4 lowing sentence: "The defendant in any suit by or against
 5 the Corporation may plead, by way of set-off or counter-
 6 claim, any cause of action, whether arising out of the same
 7 transaction or not, which would otherwise be barred by such
 8 four-year period of limitation if the claim upon which the
 9 defendant's cause of action is based had not been barred
 10 prior to the date that the plaintiff's cause of action arose:
 11 *Provided*, That the defendant shall not be awarded a judg-
 12 ment on any such set-off or counterclaim for any amount in
 13 excess of the amount of the plaintiff's claim established in
 14 the suit."

15 SEC. 6. Section 15 of the Commodity Credit Corpora-
 16 tion Charter Act is amended by adding at the end thereof
 17 a new subsection as follow:

18 "USE OF WORDS 'COMMODITY CREDIT CORPORATION'

19 "(f) No individual, association, partnership, or corpora-
 20 tion shall use the words 'Commodity Credit Corporation' or
 21 a combination of these three words, as the name or a part
 22 thereof under which he or it shall do or purport to do busi-
 23 ness. Every individual, partnership, association, or corpora-
 24 tion violating this prohibition shall be guilty of a misde-
 25 meanor and shall be punished by a fine of not more than

1 \$1,000 or by imprisonment for not more than one year,
2 or both.”

3 SEC. 7. Subsection (b) of section 6 of the Strategic
4 and Critical Materials Stock Piling Act (60 Stat. 596) is
5 hereby amended by inserting the words “Commodity Credit
6 Corporation or” before the words “the Reconstruction Fi-
7 nance Corporation” wherever they appear in such subsec-
8 tion and by striking out the period at the end of such sub-
9 section and adding the following: “, whichever of such
10 corporations is involved in the transfer.”

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

By Mr. SPENCE

FEBRUARY 14, 1949

Referred to the Committee on Banking and Currency

81ST CONGRESS
1ST SESSION

S. 900

IN THE SENATE OF THE UNITED STATES

FEBRUARY 21, 1949

Referred to the Committee on Agriculture and Forestry and ordered to be
printed

AMENDMENT

Intended to be proposed by Mr. MAYBANK to the bill (S. 900)
to amend the Commodity Credit Corporation Charter Act,
the Strategic and Critical Materials Stock Piling Act, and
for other purposes, viz: On Page 4, beginning with line 4,
strike out all down to and including line 19 and insert in lieu
thereof the following:

1 SEC. 5. Section 4 (c) of the Commodity Credit Cor-
2 poration Charter Act is amended—

3 (a) by inserting in the second sentence thereof
4 after the word “jurisdiction” a comma and the follow-
5 ing: “without regard to the amount in controversy,”;

6 (b) by striking out the fourth sentence thereof
7 and inserting in lieu thereof the following: “No suit by

1 or against the Corporation shall be allowed unless (1)
2 it shall have been brought within six years after the
3 right accrued on which suit is brought, or (2) the person
4 bringing such suit shall have been under legal disability
5 or beyond the seas at the time the right accrued and the
6 suit shall have been brought within three years after the
7 disability shall have ceased. The defendant in any suit
8 by or against the Corporation may plead, by way of set-
9 off or counterclaim, any cause of action, whether arising
10 out of the same transaction or not, which would other-
11 wise be barred by such limitation if the claim upon which
12 the defendant's cause of action is based had not been
13 barred prior to the date that the plaintiff's cause of
14 action arose: *Provided*, That the defendant shall
15 not be awarded a judgment on any such set-off or
16 counterclaim for any amount in excess of the amount of
17 the plaintiff's claim established in the suit."; and

18 (c) by inserting before the period at the end thereof
19 a comma and the following: "except that (A) any such
20 suit against the United States based upon any claim of
21 the type enumerated in title 28, section 1491, of the
22 United States Code, may be brought in the United
23 States Court of Claims, and (B) no such suit against

1 the United States may be brought in a district court
2 unless such suit might, without regard to the provisions
3 of this Act, be brought in such court”.

AMENDMENT

Intended to be proposed by Mr. MAYBANK to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

FEBRUARY 21, 1949

Referred to the Committee on Agriculture and Forestry
and ordered to be printed

AMENDING THE COMMODITY CREDIT CORPORATION
CHARTER ACT

MARCH 16 (legislative day, FEBRUARY 21), 1949.—Ordered to be printed

Mr. THOMAS of Oklahoma, from the Committee on Agriculture and Forestry, submitted the following

REPORT

[To accompany S. 900]

The Committee on Agriculture and Forestry, to whom was referred the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, having considered the same, report thereon with a recommendation that it do pass with the following amendments:

On page 2, line 1, strike out "Section 4 (b)" and insert in lieu thereof "Section 4 (h)".

On page 2, line 8, after the word "acquire" insert the words "by lease, purchase or otherwise".

On page 2, line 10, after the word "storage", insert the following: "(other than storage for cotton or tobacco)".

On page 2, line 16, strike out the colon, insert a comma and the following: "ADVISORY BOARD: (a)".

On page 2, lines 21 and 22, strike out the words "of not less than six nor more than ten members" and insert in lieu thereof the following: "of six members".

On page 3, lines 11 and 12, strike out the words "A majority of the minimum number of directors required on the Board" and insert in lieu thereof the following: "A majority of the directors".

On page 3, line 14, strike out the quotation marks.

On page 3, between the lines 14 and 15, insert the following:

(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage and sale of commodities and the operation of lending and price support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive

for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.

Amend the title so as to read:

A bill to amend the Commodity Credit Corporation Charter Act, and for other purposes.

A letter to Hon. Alben W. Barkley, the Vice President of the United States, dated February 7, 1949, a section-by-section analysis of the proposed legislation, and a letter from the Secretary of Agriculture, Hon. Charles F. Brannan, dated March 7, 1949, addressed to Hon. Elmer Thomas, chairman, Committee on Agriculture and Forestry, United States Senate, is attached hereto and made a part of said report.

DEPARTMENT OF AGRICULTURE,
Washington 25, D. C., February 7, 1949.

Hon. ALBEN W. BARKLEY,
The Vice President, United States Senate.

DEAR MR. VICE PRESIDENT: There is enclosed a proposed bill to amend the Commodity Credit Corporation Charter Act (Public Law 806, approved June 29, 1948) and section 6 (b) of the Strategic and Critical Materials Stock Piling Act, together with an analysis of the sections of the proposed bill and a comparative text showing amendments to existing legislation. Inasmuch as the enclosed explanatory statement covers in detail an analysis of the proposed bill, it will be unnecessary to further discuss the provisions of the legislation. However, I would like to state, as has been stated in previous communications with Congress concerning substantive legislation for the Corporation, that continuing operations of the Corporation, as in the past, is of the utmost importance. The farmers of this country have for the past 14 years looked to this Corporation as the agency which has the flexibility to meet unforeseeable economic conditions affecting agriculture through supporting and protecting farm income and prices; assisting in the maintenance of balanced and adequate supplies of food, feed, and fibers, and insuring their orderly distribution. The Corporation is also the agency through which the Government's price-support commitments to the farmers are carried out. I cannot overemphasize the importance of this proposal to the welfare of the American farmers in the uncertain periods ahead.

With the exception of the proposed section 7 which the Bureau of the Budget has not had adequate time to fully consider and on which they would like to reserve judgment, we are advised that, from the standpoint of the program of the President, the Bureau has no objection to the submission of this report.

Sincerely,

CHARLES F. BRANNAN, *Secretary.*

PART II. SECTION BY SECTION ANALYSIS OF PROPOSED LEGISLATION

Section 1 of the proposed bill amends section 2 of the Commodity Credit Corporation Charter Act (Public Law 806), approved June 29, 1948, to place the general supervision and direction of the Commodity Credit Corporation in the Secretary of Agriculture, which was the situation prior to July 1948.

Section 2 of the proposed bill amends section 4 (h) of the act approved June 29, 1948, to make it possible for Commodity Credit Corporation to acquire items of personal property used in connection with the care, preservation, and handling of agricultural commodities controlled by it. It will permit the Corporation to acquire such real property and such plants and facilities which are part of the realty as are necessary for providing adequate storage. We have recently witnessed an example in which commodities were sold at less than the support level because of inability of producers to obtain adequate storage. Further, the Corporation would be enabled to take liens on real property as security for obligations owing to it, and to bid in on any execution or foreclosure sale to protect its financial interests in the matter. Thus, the proposed amendment would loosen the unduly restrictive prohibition upon the acquisition of real property now contained in the charter.

There would remain the general prohibition upon the acquisition of real property, and there would also remain in effect the provision in section 5 that the Corporation should, to the maximum extent practicable, utilize the normal channels of trade and commerce. The proposed changes in this section would permit the Corporation to utilize fully other authority contained in the charter in a manner to develop a well-rounded program under which grain bins and other types of storage facilities would be available to producers through the purchase and resale of bins and materials, the making of loans to construct or otherwise acquire such facilities, and other means.

Section 3 of the proposed bill amends section 9 of the act of June 29, 1948, to carry into effect the recommendations of the Department with respect to the following matters:

(1) A majority of, or all, the Board members could be officers of the Corporation or employees of the Department, if desired.

(2) Board members may be given other duties by the Secretary of Agriculture.

(3) The compensation of Board members would be within the discretion of the Secretary, subject to a maximum limitation.

(4) The number of Board members would be increased from 5 to a minimum of 7 and a maximum of 11.

(5) The appointment and tenure of Board members would be under the control of the Secretary, who is primarily responsible for the operation of the Corporation's programs.

Section 4 of the proposed bill amends section 10 of the act of June 29, 1948. The proposed section is that contained in S. 1322 as it passed the Senate. It would obviate the requirement for an executive staff which would be prohibited from performing duties other than those concerned directly with the Corporation. It would also permit the appointment of the officers and employees of the Corporation in the same manner that other employees of the Department of Agriculture are appointed, which is consistent with the desire to place the Corporation under the general supervision and direction of the Secretary of Agriculture.

Section 5 of the proposed bill amends section 4 (c) of the act of June 29, 1948, to enable the Corporation and persons having claims against the Corporation to plead set-offs and counterclaims which are barred by the statute of limitations, if, at the time the plaintiff's cause of action arose, the defendant's cause of action on which the set-off or counterclaim is based had not been barred by the statute of limitations. The amendment is deemed advisable since it will afford protection to either the Corporation or its claimants in cases in which amounts owing are applied against amounts due. For example, it is the general practice of the Corporation to apply amounts due it from any person against amounts owing by the Corporation to such person. If the amount due to the Corporation accrued prior to the date of accrual of the claim against the Corporation, the statute of limitations may bar the Corporation's claim before the claim of the Corporation's claimant is barred. Thus, assume a claim by the Corporation against a contractor which arose in 1949 and to which the 4-year statute of limitation is applicable. In 1951, the Corporation becomes indebted to the contractor for a similar amount and applies that amount in satisfaction of its claim. If the contractor waited until 1954 and then brought suit against the Corporation to collect the amount of his claim against the Corporation which the Corporation had applied on its claim against the contractor, the Corporation would, if it attempted to plead its claim against the contractor as a set-off or counterclaim, be faced with the defense that the 4-year period of limitation had run on the Corporation's claim, since it arose in 1949. This amendment would clearly enable the Corporation to assert its claim in the suit. If, however, the claim of the Corporation had been barred prior to accrual of the creditor's claim, no set-off could be pleaded. Many States have similar statutes, enabling a defendant to plead a barred set-off or counterclaim.

Section 6 of the proposed bill amends section 15 of the act of June 29, 1948, by prohibiting the use by a private corporation or by any individual, associations, or partnership of the name of the Corporation. Violation of the prohibition is made a misdemeanor. The Commodity Credit Corporation, as a Government agency and instrumentality, is carrying on its operations in all States and is widely known. It is advisable that its right to the exclusive use of its name be recognized and that a penalty be attached to violation of this right, in order to minimize the danger of use of the same or a similar name by private parties who might thereby either innocently or willfully deceive or defraud persons who may believe that they are dealing with the Federal Commodity Credit Corporation. A similar provision was enacted in the Reconstruction Finance Corporation Act.

Section 7 of the proposed bill amends subsection 6 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) to make it possible for Commodity Credit Corporation to exchange agricultural commodities acquired in the course of its operations for those materials needed for stock piling in the United States where this method of acquiring stocks of strategic and critical materials appears to be desirable. Without the amendment, such an operation would not be feasible because of the inability of Commodity Credit Corporation to be reimbursed in whole or in part for the cost of the commodities transferred.

DEPARTMENT OF AGRICULTURE,
Washington, March 7, 1949.

HON. ELMER THOMAS,
Chairman, Committee on Agriculture and Forestry,
United States Senate.

DEAR SENATOR THOMAS: We have had an opportunity to review a copy of the statement of the views of the General Accounting Office relative to S. 900 which was transmitted to you with a letter from the Comptroller General on February 17, 1949.

As has previously been indicated in statements before your committee, the Department of Agriculture urges the enactment of the amendments to the Commodity Credit Corporation Charter Act embodied in S. 900. The changes involving the authority of the Secretary of Agriculture and the internal organization of the Department which are proposed in S. 900 will make it possible for the Secretary to discharge effectively his responsibility for the formulation and administration of the agricultural programs of the Federal Government and to coordinate and integrate all the activities of the Department. The proposed amendments will correct the separation of authority from responsibility to which President Truman referred in his statement regarding the CCC Charter bill made at the time he signed H. R. 6248, the Agricultural Act of 1948, on July 3, 1948. He pointed out in this statement that the CCC's primary function is to carry out price-support laws, and that, although the Agricultural Act of 1948 made the Secretary of Agriculture responsible for supporting prices of farm products at specified levels, the Charter Act did not vest control of the Corporation in the Secretary of Agriculture.

The recommendations regarding financing the Corporation and the accomplishment of budgetary control by the Congress which appear on the last page of the statement submitted by the GAO were discussed in detail in a statement which we submitted to the Senate Committee on Agriculture and Forestry on March 12, 1948. Should you desire to refer to it, this statement appears on pages 162-180 of the report on the hearings before the Committee on Agriculture and Forestry, United States Senate, on S. 1322, a bill to provide a Federal charter for the Commodity Credit Corporation.

Sincerely yours,

CHARLES F. BRANNAN, *Secretary.*



81ST CONGRESS
1ST SESSION

S. 900

[Report No. 125]

IN THE SENATE OF THE UNITED STATES

FEBRUARY 10, 1949

Mr. THOMAS of Oklahoma (for himself, Mr. LUCAS, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. HOLLAND, Mr. ANDERSON, Mr. THYE, Mr. YOUNG, and Mr. HICKENLOOPER) introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry

MARCH 16 (legislative day, FEBRUARY 21), 1949

Reported by Mr. THOMAS of Oklahoma, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 2 of the Commodity Credit Corporation Charter
4 Act (Public Law No. 806, Eightieth Congress) is amended
5 by deleting the words "direction and control of its Board
6 of Directors" at the end of the said section and substituting
7 therefor the words "supervision and direction of the Secre-
8 tary of Agriculture (hereinafter referred to as the 'Secre-
9 tary')".

1 SEC. 2. ~~Section 4 (b)~~ *Section 4 (h)* of the said Com-
 2 modity Credit Corporation Charter Act is amended by delet-
 3 ing the second sentence thereof and inserting in its place
 4 the following: "The Corporation shall have power to acquire
 5 personal property necessary to the conduct of its business
 6 but shall not have power to acquire real property or any
 7 interest therein except that it may (a) rent or lease office
 8 space necessary for the conduct of its business and (b)
 9 acquire *by lease, purchase, or otherwise* real property or
 10 any interest therein for the purpose of providing storage
 11 (*other than storage for cotton or tobacco*) adequate to carry
 12 out effectively and efficiently any of the Corporation's pro-
 13 grams, or of securing or discharging obligations owing to
 14 the Corporation, or of otherwise protecting the financial
 15 interests of the Corporation."

16 SEC. 3. Section 9 of the said Commodity Credit Cor-
 17 poration Charter Act is amended to read as follows:

18 "SEC. 9. DIRECTORS, *ADVISORY BOARD*: (a) The
 19 management of the Corporation shall be vested in a board of
 20 directors (hereinafter referred to as the 'Board'), subject
 21 to the general supervision and direction of the Secretary.
 22 The Secretary shall be an ex officio director and shall serve
 23 as Chairman of the Board. The Board shall consist of ~~not~~
 24 ~~less than six nor more than ten members of six members~~
 25 (in addition to the Secretary), who shall be appointed by,

1 and hold office at the pleasure of, the Secretary. In addition
2 to their duties as members of the Board, such appointed
3 members shall perform such other duties as may be pre-
4 scribed by the Secretary. Each appointed member of the
5 Board shall receive compensation at such rate not in excess
6 of the maximum then payable under the Classification Act
7 of 1923, as amended, as may be fixed by the Secretary,
8 except that any such member who holds another office or
9 position under the Federal Government the compensation for
10 which exceeds such rate may elect to receive compensation
11 at the rate provided for such other office or position in lieu
12 of the compensation provided by this section. ~~A majority~~
13 ~~of the minimum number of directors required on the Board~~
14 *A majority of the directors* shall constitute a quorum of
15 the Board and action shall be taken only by a majority vote
16 of those present.

17 *“(b) In addition to the Board of Directors there shall*
18 *be an advisory board reflecting broad agricultural and busi-*
19 *ness experience in its membership and consisting of five*
20 *members appointed by the President of the United States,*
21 *not more than three of whom shall belong to the same political*
22 *party. The advisory board shall meet at the call of the*
23 *Secretary, who shall require it to meet not less often than once*
24 *each ninety days; shall survey the general policies of the*
25 *Corporation, including its policies in connection with the pur-*

1 chase, storage, and sale of commodities, and the operation of
2 lending and price-support programs; and shall advise the
3 Secretary with respect thereto. Members of the advisory
4 board shall receive for their services as members compensa-
5 tion of not to exceed \$50 per diem when actually engaged in
6 the performance of their duties as such, together with their
7 necessary traveling expenses while going to and coming from
8 meetings.”

9 SEC. 4. Section 10 of the said Commodity Credit Cor-
10 poration Charter Act is amended to read as follows:

11 “SEC. 10. PERSONNEL OF CORPORATION: The Secre-
12 tary shall appoint such officers and employees as may be
13 necessary for the conduct of the business of the Corpora-
14 tion, define their authority and duties, delegate to them
15 such of the powers vested in the Corporation as he may
16 determine, require that such of them as he may designate
17 be bonded and fix the penalties therefor. The Corporation
18 may pay the premium of any bond or bonds. With the
19 exception of experts, appointments shall be made pursuant
20 to the civil-service laws and the Classification Act of 1923,
21 as amended (5 U. S. C., 1946 ed., 661).”

22 SEC. 5. Section 4 (c) of the Commodity Credit Cor-
23 poration Charter Act is amended by inserting after the sen-

1 tence, "No suit by or against the Corporation shall be
 2 allowed unless it shall have been brought within four years
 3 after the right accrued on which suit is brought", the follow-
 4 ing sentence: "The defendant in any suit by or against the
 5 Corporation may plead, by way of set-off or counterclaim,
 6 any cause of action, whether arising out of the same trans-
 7 action or not, which would otherwise be barred by such four-
 8 year period of limitation if the claim upon which the
 9 defendant's cause of action is based had not been barred
 10 prior to the date that the plaintiff's cause of action arose:
 11 *Provided*, That the defendant shall not be awarded a judg-
 12 ment on any such set-off or counterclaim for any amount in
 13 excess of the amount of the plaintiff's claim established in
 14 the suit."

15 SEC. 6. Section 15 of the Commodity Credit Corpora-
 16 tion Charter Act is amended by adding at the end thereof
 17 a new subsection as follows:

18 "USE OF WORDS 'COMMODITY CREDIT CORPORATION'

19 "(f) No individual, association, partnership, or corpora-
 20 tion shall use the words 'Commodity Credit Corporation' or
 21 a combination of those three words, as the name or a part
 22 thereof under which he or it shall do or purport to do busi-
 23 ness. Every individual, partnership, association, or corpora-

1 tion violating this prohibition shall be guilty of a misde-
2 meanor and shall be punished by a fine of not more than
3 \$1,000 or by imprisonment for not more than one year, or
4 both.”

Amend the title so as to read: “A bill to amend the
Commodity Credit Corporation Charter Act, and for other
purposes.”

81ST CONGRESS
1ST Session

S. 900

[Report No. 125]

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

By Mr. THOMAS of Oklahoma, Mr. LUCAS, Mr. JOHNSTON of South Carolina, Mr. GILLETTE, Mr. HOLLAND, Mr. ANDERSON, Mr. THYE, Mr. YOUNG, and Mr. HICKENLOOPER

FEBRUARY 10, 1949

Read twice and referred to the Committee on
Agriculture and Forestry

MARCH 16 (legislative day, FEBRUARY 21), 1949

Reported with amendments

A-6446635, Wong, Helen (alias Quong Tung (Tong) Marr or Mah or Helen Marr or Mar).
 A-1379566, Zamudio-Lemos, Hilario.
 A-6239400, Zamudio-Soto, Ramon.
 A-5397099, Zeid, Fanny.
 A-5316226, Zeid, Max, formerly Zagdenwar.
 A-7501012, Zetting, Mary Theresa, or Robertson, Robinson, Smith.

SUSPENSION OF DEPORTATION OF CERTAIN ALIENS

The concurrent resolution (S. Con. Res. 22) favoring the suspension of deportation of certain aliens was considered and agreed to, as follows:

Resolved, etc., That the Congress favors the suspension of deportation in the case of each person hereinafter named, in which case the Attorney General has suspended deportation for more than 6 months:

A-9771331, Aase, Aksel.
 A-1609228, Arline, Mary Jean Hartley, or Jean Hartley.
 A-1219242, Athansiu, George John, or Georgios Athanasios or Athanasios.
 A-4854961, Attard Emmanuele.
 A-3520682, Barreiros, Manuel Lopes, or Manuel Lopes.
 A-9658310, Blackstone, Harry Hyman.
 A-2914281, Blohme, Christian.
 A-5439241, Bruck, Charlotte (nee Grosz).
 A-4523939, Buras, Kyriaki, or Kyreaki or Kyreal Buras or Moskos or Prokopios (nee Panagaki).
 A-9545512, Canoura, José Davila.
 A-3998473, Carreon, Juan.
 A-6619105, Carrillo, Ramiro, or Ramiro Carrillo Cenicerros.
 A-3767452, Astorga, Maria Del Refugio.
 A-4808943, Cavanna, Santo.
 A-6261650, Cortis, Maria (nee Papapanglotou), or Maria Athansiou Papapanglotou.
 A-5916075, Donaghy, Patrick.
 A-4439870, Collins, Alice Mildred Eileen (nee Copping).
 A-6690300, Farkas, Stephen.
 A-6690301, Farkas, Edith (nee Edith Tamasay-Czepean).
 A-2970268, Franceschi, Sergio Constantino.
 A-7655442, Geerts, Arjen Johan.
 A-2801732, Granberg, Oscar Herbert.
 A-4121781, Gregorio, Giovanni.
 A-4103261, Guha-Thakurta, Leelabati, or Leela Rodman or Ranu Devi.
 A-6214495, Gunn, Maria Lok.
 A-5796741, Hall, Ida Ruth (nee Dorfman).
 A-9706110, Hansen, Bjarne.
 A-6261538, Jianakas, Marika (nee Papakostantinou aka Marika Giannakos) (nee Mary Johnson).
 A-4226353, Johnson, Albert Nathan.
 A-5780662, Jones, Edgar Robert.
 A-3469233, Kaminski, Stanley George (alias Stanislaus Wladislaw Kaminski).
 A-3269191, Lausch, Eduard.
 A-6249442, Lekas, Alexandria or Alexandra Lekkas (nee Bargi).
 A-6425302, Lopez-Garcia, Alfredo.
 A-6192538, Majla, Evangelina.
 A-6054209, Maletis, Mary, or Mary Maletiou or Maria Pantelis or Maria S. Chotakedes.
 A-5172340, Marmorato, Pasquale or Patsy.
 A-6475719, Mary, Dorothy (nee Taylor Simpson).
 A-5506972, McClave, Mary Agnes (nee Spence).
 A-9632483, Miettinen, Kaarlo Vilho.
 A-6246458, Nazaretian, Felice.
 A-6070323, Newgord, Esther (nee Goldstein), alias Esther Halmovitch alias Esther Katz.
 A-5414622, Nimeth, Margaret (nee Margaret Barta), alias Margaret Semon.
 A-9740975, Olsen, Arnold Emmanuel (alias Arnold E. Olsen).
 A-4552326, Parsons, Robert Joseph, or Robert Parsons.
 A-4264159, Perivolaris, Nicolaos or Lignos or Nick Perls or Pares or Nick John Peres.

A-3334747, Philipin, Bridget, or Bessie or Bridget Gallagher.
 A-2970069, Pina, Francisco, or Joao Andrade.
 A-6285765, Plevritis, Constantine Elias.
 A-6040048, Provo, Rose Marie, or Mary Margaret French or Margaret Franche.
 A-1670564, Reifenkugel, Helene, or Helene Bergstraesser.
 A-2493860, Roberts, Irene, or Irene Gluck.
 A-1446003, Rodrigues, Joaquim, or Joaquim Rodriguez.
 A-3183742, Rousku, Terho Otto.
 A-4873047, San, Wong Siu, or Mrs. Mary Wong, or Wong Shee or Mrs. Chong (Cheung) or Wah Chuen.
 A-2087806, Scialpi, Luigi, or Louis Scialpi.
 A-9513664, Sobkowiak, Jan.
 A-6645635, Spitzer, Blima (nee Hers).
 A-5368957, Tabah, Jacob (alias Charles Belmonte).
 A-4875571, Tabah, Esther or Belmonte (nee Mitran).
 A-4677697, Hecht, Dora or Donna (nee Tabah), or Belmonte.
 A-9561362, Tellefsen, Harold Stefanus.
 A-5406230, Thomopoulos, Demetrios or James, or James Moskos or James Thomas.
 A-6151164, Tracy, Maria Pacita.
 A-2755717, Tranoris, Eleftheri Constantinos.
 A-6345270, Tushinis, Maria.
 A-6659024, Vafias, Apostolos.
 A-6057885, Vincencio-Abogado, Antonio, or Antonio Abogado Vincencio.
 A-9568998, Viachos, Theodore, or Theodore J. Blahos or Theodoros Viachos.
 A-4587936, Weiss, Hilda Edith (nee Billing).
 A-5064038, Wheeler, Estefania (nee Bonadad).
 A-6360238, Whittle, Robert Albert (formerly Anderson).
 A-6174003, Wojciech, Thaddeus.
 A-6174056, Kowalski, Stanley Hubert.
 A-7782660, Woodman, Flora Eileen Katharine (nee McDonald).
 A-4928605, Zarate, Jacoba Petronella (nee Frulin).

GRAIN-STORAGE FACILITIES—BILL PASSED OVER

The bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, was announced as next in order.

Mr. WILLIAMS. Let the bill go over.

Mr. ANDERSON. Mr. President, will the Senator withhold his objection for just a moment, please?

Mr. WILLIAMS. Very well.

Mr. ANDERSON. Mr. President, I hope the Senate will not indefinitely postpone action upon this measure. This bill contains a provision for storage facilities for grain, a matter which was quite prominently featured in the recent political campaign. The bill has been thoroughly studied by the Committee on Agriculture. It follows to a large degree the suggestions made a year ago by the distinguished Senator from Vermont [Mr. AIKEN], although of course not all of the provisions of the bill are of his making.

The bill has been subjected to a great deal of compromise; but the time for the storage of grain is upon us, for the harvest will be beginning in a short time. This matter is of particular concern to the farmers of Minnesota and North Dakota; and the Senators from those States, I am sure, will agree that the farmers need these facilities for storing their grain.

So I am very sorry that there is any objection to the present consideration of the bill.

Mr. WILLIAMS. Mr. President, let me say that, in view of the recent political campaign, I am surprised that the bill has not been on the calendar before.

Mr. ANDERSON. There has been some disturbance in the Senate for about 3 weeks.

Mr. WILLIAMS. Mr. President, it will take the former Secretary of Agriculture, the present Senator from New Mexico, and some of his colleagues longer than 5 minutes to explain satisfactorily some of the loose statements made by President Truman and Secretary of Agriculture Brannan during the recent campaign regarding the question of inadequate grain-storage facilities.

I do not think it will take me more than 20 minutes to prove that the charges upon this question against the Republican Eightieth Congress were without any foundation whatsoever.

The VICE PRESIDENT. Does the Senator object to the consideration of the bill?

Mr. LUCAS. Mr. President, I hope the Senator from New Mexico, who is the author of this bill—

Mr. ANDERSON. No, I am not its author. I am a sponsor, along with other Senators, but I do not know who drafted the bill.

Mr. LUCAS. I understand, but the Senator from New Mexico has been one of the chief members of the Agriculture Committee who has been insisting that a bill of this kind should reach the calendar. I hope the Senator from New Mexico, at the close of the call of the calendar, after the Senator from Georgia disposes of his bill, will then move to take up this bill. In that event, we shall remain here until we pass it.

Mr. ANDERSON. I certainly shall do that.

Mr. WHERRY. Mr. President—

The VICE PRESIDENT. The Senator from Delaware has objected.

Mr. HICKENLOOPER subsequently said:

Mr. President, I want to take this opportunity of clarifying the RECORD with respect to the Commodity Credit Corporation bill report, which I signed, but with reservations as to one provision of the bill as reported. That provision concerns unlimited authority for the Secretary of Agriculture to acquire real estate throughout the United States.

I have been assured that there is a good possibility that that situation can be reconciled, and I did not want the RECORD to stand that the bill had the unanimous and unqualified endorsement as reported.

Mr. WILLIAMS. Mr. President, may I ask the distinguished Senator from Illinois whether he intends to bring the bill up later today? If so, I have no objection.

Mr. LUCAS. I should like to have the bill considered this afternoon, when it can be explained.

Mr. WILLIAMS. Mr. President, I understood it was the intention to bring up the rent-control bill, and I was wondering whether it was the intention to re-

place it by this bill. I have no objection to bringing this up. I should like to have had notice a day or two ago.

The VICE PRESIDENT. The Senator has objected; therefore, further discussion is out of order.

Mr. LUCAS. Mr. President, I am claiming the floor in my own right for about 2 minutes.

The VICE PRESIDENT. The Senator cannot do that, under objection.

Mr. WILLIAMS. I withhold my objection.

Mr. LUCAS. I do not care, Mr. President, whether Senator withholds his objection or not.

The VICE PRESIDENT. After an objection is made to a bill—

Mr. LUCAS. Very well; let the next bill be called, then.

Mr. WILLIAMS. All right; I object.

The VICE PRESIDENT. The Senator from Illinois may take 5 minutes on the next bill.

The bill (H. R. 2546) to authorize the Secretary of the Air Force to establish land-based air warning control installations for the national security, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. LUCAS. Mr. President, returning now—

The VICE PRESIDENT. The Senator is reserving the right to object to this bill, is he not?

Mr. LUCAS. Yes. I reserve my right to object to this bill.

Mr. President, I wish Senators would let me alone for a few minutes. I think I can get along, if I do not receive too much advice from Senators.

The VICE PRESIDENT. The Senate will be in order. Those in the rear of the Senate Chamber will cease conversing.

Mr. LUCAS. Mr. President, returning for a moment to Calendar 108, Senate bill 900, which is the bill which has just been discussed by the Senator from New Mexico [Mr. ANDERSON], I may say the bill has been reported favorably, unanimously, by the Committee on Agriculture and Forestry. To my way of thinking it is one of the most important measures from the standpoint of emergency that the Congress is called upon to consider.

In view of the unanimous report, it seems to me it should not take too long to pass the bill. I thought perhaps we might get the bill out of the way this afternoon before taking up rent control. In the event it appears that it is going to take a long time for debate or discussion, obviously I would move to lay it aside in order to make rent control the unfinished business for Monday. In view of the emergency nature of the bill, it seems to me we ought to get some action as quickly as possible.

Mr. WHERRY. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. WHERRY. I am wondering whether I may address an inquiry to the distinguished majority leader, in view of

the announcement made by him last night. I am in total sympathy with having the Commodity Credit Corporation bill considered as quickly as possible, but in view of the announcement made that at the end of the call of the calendar, the majority leader would move to make the rent control bill the unfinished business. Certain Senators who would like very much to participate in discussions of the calendar number on which the Senator is now speaking, might not be here.

Mr. JOHNSTON of South Carolina. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield?

Mr. LUCAS. I yield.

Mr. JOHNSTON of South Carolina. Mr. President, the bill, it is true, came before the committee and was reported unanimously. I fear that some people probably are thinking about the bill in its original form. There was certain opposition to the bill in its original form in the committee, but all the differences of opinion in the committee were ironed out and the amended bill was agreed upon. I believe if the Senator from Delaware will read the bill, with the amendments, he will withdraw the objection.

Mr. KEM. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield?

Mr. LUCAS. I yield to the Senator from Missouri.

Mr. KEM. Reserving the right to object, I may say I happen to be a member of the committee that had under consideration this bill. I was unavoidably absent from the last meeting of the committee and did not participate in the final consideration of the bill or in the vote on the bill, so in that sense the report of the committee is not unanimous, although I did not vote against it. I did not vote at all. I am in sympathy with the position taken by the Senator from Delaware that the bill should have further more detailed consideration.

Mr. LUCAS. In view of the last suggestion made, of course, I shall not press it. I was under the impression the Senator from Missouri had also voted along with other Senators for the bill.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Illinois yield?

Mr. LUCAS. May I finish my statement? I hope the able Senator from Missouri in the meantime will examine the bill and confer with the Senator from Delaware, to see whether we cannot get the bill out of the way the next time the calendar is called.

Mr. KEM. For the information of the Senator from Illinois, I should like to say, it is not the provisions of the bill to which he has referred, with reference to the storage of grain, about which I am in doubt, but it is the provisions of the bill that place in the hands of the Secretary of Agriculture the exclusive right to appoint directors of this tremendous business corporation. Heretofore there have been two outside directors, two outside members of the Board of Directors. The

bill will do away with that and provide that all members of the Board of Directors shall be appointed by the Secretary of Agriculture. An Advisory Council is set up, composed of members from the outside, but under the provisions of the bill, I understand the Advisory Council will have no authority, but will merely have the privilege of meeting four times a year and expressing their views. I do not mean to say I am against the bill, but I mean to say I should like an opportunity to consider it further before we reach a decision.

The VICE PRESIDENT. Objection is heard.

Mr. HICKENLOOPER. Mr. President, I wonder whether the Senator would withhold his objection long enough for me to clarify the RECORD made thus far, in respect to certain statements.

Mr. WILLIAMS. Mr. President, if I understood correctly, we are now on the next bill. The other bill went over. The Senator may get the floor in his own right.

The VICE PRESIDENT. That bill has already gone over. The Senator from Illinois is speaking on the next bill, which will be stated again.

LAND-BASED AIR WARNING CONTROL INSTALLATIONS

The LEGISLATIVE CLERK. A bill (H. R. 2546) to authorize the Secretary of the Air Force to establish land-based air warning control installations for the national security and for other purposes.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 2546) was considered, ordered to a third reading, read the third time, and passed.

BILL PASSED OVER

The bill (H. R. 1731) to extend certain provisions of the Housing and Rent Act of 1947, as amended, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. TAFT. Over.

Mr. VANDENBERG and Mr. HICKENLOOPER addressed the Chair.

Mr. HICKENLOOPER. Mr. President, reserving the right to object—

The VICE PRESIDENT. This is the rent-control bill. The Chair understands it will be made the unfinished business before the day is over.

ACQUISITION OF SITES FOR FEDERAL BUILDINGS

Mr. HOLLAND. Mr. President, I should like to ask consent to return to Calendar No. 72, Senate bill 714, the Senator who objected to its consideration having withdrawn his objection, and I did not want Senators to leave the Chamber under the impression that I would not make the request.

The VICE PRESIDENT. The clerk will read the bill by title.

The LEGISLATIVE CLERK. A bill to provide for comprehensive planning, for site acquisition in and outside of the District of Columbia, and for the design of Federal building projects outside of the District of Columbia; to authorize the trans-

S. 900

IN THE SENATE OF THE UNITED STATES

MARCH 18, 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 900)
to amend the Commodity Credit Corporation Charter Act,
the Strategic and Critical Materials Stock Piling Act, and
for other purposes, viz:

- 1 On page 2, line 11, insert after the word "tobacco" the
- 2 following: "or cold storage for the handling of perishable
- 3 commodities)".

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

MARCH 18, 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

S. 900

IN THE SENATE OF THE UNITED STATES

MARCH 22 (legislative day, MARCH 18), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. BYRD, Mr. WATKINS, Mr. KEM, and Mr. CAPEHART) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, viz:

1 On page 1, line 3, beginning with the figure "2", strike
2 out all down to and including the word "Section" on page
3 2, line 1.

4 On page 2, beginning with line 16, strike out all down
5 to and including line 8 on page 4.

6 On page 4, line 9, strike out "SEC. 4." and insert in
7 lieu thereof "SEC. 2."

8 On page 4, lines 11 and 12, strike out "Secretary" and
9 insert "Board of Directors".

1 On page 4, line 22, strike out "SEC. 5." and insert
 2 in lieu thereof "SEC. 3.".

3 On page 5, line 15, strike out "SEC. 6." and insert
 4 in lieu thereof "SEC. 4.".

81ST CONGRESS
 1ST SESSION

S. 900

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself, Mr. BYRD, Mr. WATKINS, Mr. KERR, and Mr. CARMICHAEL) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

MARCH 22 (legislative day, MARCH 18), 1949
 Ordered to lie on the table and to be printed

AMENDING THE COMMODITY CREDIT CORPORATION CHARTER ACT

APRIL 9, 1949.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. SPENCE, from the Committee on Banking and Currency,
submitted the following

R E P O R T

[To accompany H. R. 2682]

The Committee on Banking and Currency, to whom was referred the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

1. On page 2, line 11 immediately following the word "Corporation" insert the following:

Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately-owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities

2. On page 2, line 14, strike out the colon, insert a comma and the following: "ADVISORY BOARD: (a)".

3. On page 2, lines 19 and 20 strike out the words "not less than six nor more than ten" and insert in lieu thereof "six".

4. On page 3, lines 8 and 9 strike out the words "minimum number of directors required on the Board" and insert in lieu thereof "directors".

5. On page 3, line 10, strike out the quotation mark at the end of line 10 and insert the following new subsection immediately following line 10.

(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.

6. Strike out all of section 5 and insert in lieu thereof the following:

SEC. 5. Section 4 (c) of the Commodity Credit Cooperation Charter Act is amended—

(a) by inserting in the second sentence thereof after the word "jurisdiction" a comma and the following: "without regard to the amount in controversy,";

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: "No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued and the suit shall have been brought within three years after the disability shall have ceased. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court".

7. Strike out all of section 7 and insert in lieu thereof the following:

SEC. 7. The Act, entitled "An Act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad", approved August 11, 1939, is amended to read as follows: "That, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile."

8. Amend the title so as to read:

A bill to amend the Commodity Credit Corporation Charter Act, and for other purposes.

GENERAL STATEMENT

CREATION

The Commodity Credit Corporation was created under the laws of the State of Delaware on October 17, 1933. Successive legislation has continued the Corporation as an agency of the United States until June 30, 1948. Under the President's Reorganization Plan No. 1 (5 U. S. C. 1940 ed., 133t, note) and President's Reorganization Plan No. 3 of 1946, the Corporation was made part of the United States Department of Agriculture and the Secretary of Agriculture was given the responsibility for general direction, supervision, and administration of its operations. As required by the Government Corporation Control Act (Public Law 248, 79th Cong.), the Corporation was given a Federal charter effective July 1, 1948 (Public Law 806, 80th Cong., approved June 29, 1948).

FINANCING

The principal source of funds utilized by the Corporation in carrying out its operations is its authority to borrow on the credit of the United States in an aggregate amount not exceeding \$4,750,000,000 outstanding at any one time (act of March 8, 1938, as amended, 15 U. S. C. 713a-4, and Public Law 806, 80th Cong., approved June 29, 1948). In addition the Corporation under its Federal charter has a capitalization of \$100,000,000, and it has available the residual balance of the reserve for postwar price support of agriculture, provided by the act of February 18, 1946 (60 Stat. 6), to absorb losses on postwar price-support operations. The balance in this reserve was \$237,446,629.50 on February 28, 1949. Section 1 of the act of March 8, 1938, as amended (15 U. S. C. 713a-2) provides for an annual appraisal of the assets and liabilities of the Corporation and provides that any impairment of the Corporation's net worth established by such appraisal shall be restored by a payment to the Corporation by the Secretary of the Treasury, and excess of net worth over the authorized capitalization as determined by the appraisal shall be paid to the Secretary of the Treasury.

On February 28, 1949, the outstanding borrowings of the Corporation totaled \$1,046,368,059.26, practically all of which represented borrowings from the United States Treasury. In addition the obligations of the Corporation to purchase loans held by lending agencies under its price-support loans aggregated \$932,061,390.99 as of February 28, 1949. The Federal charter of the Corporation requires the Corporation to reserve borrowing power sufficient to cover such obligations.

MANAGEMENT

From the date of its transfer to the Department of Agriculture in 1939 until the passage of the Federal Charter Act in June 1948, the Secretary of Agriculture exercised the rights of the United States as sole stockholder and appointed the Board of Directors and the officers of the Corporation. The Federal charter placed the control of the Corporation in its Board of Directors, which, in addition to the Secretary of Agriculture or his nominee, consists of four members appointed

by the President with the advice and consent of the Senate, for terms of 5 years. Power of removal of directors was vested in the President of the United States. At least two members of the Board of Directors cannot be otherwise employed by the United States. The Federal charter also provided that the officers of the Corporation would be appointed by the Board of Directors and report to it.

The provisions in the Federal charter which removed the Corporation from the supervision and direction of the Secretary of Agriculture, resulted in an undesirable separation of authority from responsibility. They were, in fact, inconsistent with the Agricultural Act of 1948, which specifically placed in the Secretary of Agriculture responsibility for price support, which is the principal activity of the corporation.

ACTIVITIES

The principal activity of the Commodity Credit Corporation is represented by its price-support operations, which have been indispensable to agriculture and have aided in the stabilization of the national economy. Also, the activities of the Corporation have been a major factor in making adequate food supplies available, in a timely manner, for the armed services and the allies of this country. Price support is effected largely through loans, purchase agreements and purchases, which act to place a floor under the price of agricultural commodities by assuring farmers a minimum price. During the fiscal year 1949 through February 28, 1949, the Corporation made loans on agricultural commodities aggregating 1,835.3 million dollars. This amount was nearly \$1,000,000,000 more than the total loaned by the Corporation in any preceding fiscal year. In addition, during the first 8 months of the current fiscal year, the Corporation entered into purchase agreements with producers under which they have the option to sell to the Commodity Credit Corporation, at support prices, within specified periods, commodities which it is estimated would cost the Corporation 379.4 million dollars. Also, actual purchases from producers at support prices aggregated 477.2 million dollars. Thus, the value of agricultural commodities, at support levels, which were placed under the price-support program during the fiscal year 1949 to date, aggregated 2,691.9 million dollars. As of February 28, 1949, the Corporation reported price-support loans outstanding in the aggregate amount of 1,715.1 million dollars, and commodities acquired under its price-support programs with a cost value of 307.7 million dollars. The total dollar investment in the price-support program as of that date thus totaled 2,022.8 million dollars.

The most important individual commodities in the Commodity Credit Corporation price-support program, from the standpoint of both value and quantity, are cotton, wheat, and corn, as indicated by the following summary loans and purchase agreements on 1948 crops through February 28, 1949:

Commodity	Loans made on 1948 crops to Feb. 28, 1949 ¹		Approved purchase agreements to Feb. 28, 1949	
	Quantity (millions)	Value (millions)	Quantity (millions)	Value (es- timated) (millions)
Cotton, upland-----	4.7 bales-----	\$738.6-----		
Wheat-----	251.9 hushels-----	514.1-----	113.5 hushels-----	\$227.0-----
Corn-----	179.3 hushels-----	246.9-----	32 bushels-----	46.1-----
Tobacco-----	211.1 pounds-----	97.5-----		
Barley-----	30.8 hushels-----	34.6-----	18.3 hushels-----	21.0-----
Grain sorghum-----	17.9 hundredweight-----	43.8-----	2.6 hundredweight-----	6.1-----
Peanuts-----	470.6 pounds-----	49.5-----		
Beans-----	3.9 hundredweight-----	31.6-----	4.3 hundredweight-----	32.6-----
All other-----		83.1-----		46.6-----
Total-----		1,839.7-----		379.4-----

¹ Includes loans approved but not fully processed, and a small amount of loans made on 1948 crops before July 1, 1948.

It is, of course, necessary that adequate storage facilities be available to producers before they can obtain the benefits of the price-support program with respect to their crops. There have been many complaints that farmers were unable to obtain proper storage in many localities, either on their own farms, or in commercial facilities, and it is probable that farmers would have been able to place additional quantities of certain commodities under the price-support program had such storage been available to them. Restrictions contained in section 4 (h) of the Commodity Credit Corporation Charter Act approved in June 1948 prohibited the Commodity Credit Corporation from taking any effective action toward alleviating the storage deficiencies, and would prevent it from doing so in the future.

In addition to the price-support program, the Commodity Credit Corporation is currently engaged in a supply program, under which agricultural commodities are procured for foreign-relief and assistance programs, and a foreign purchase program under which certain agricultural commodities, such as sugar and rice, are procured abroad. The total purchases under these programs during the fiscal year 1949, to February 28, 1949, amounted to \$86.5 million dollars, and inventories of commodities procured under these programs amounted to \$163.6 million dollars (cost value) as of February 28, 1949.

The total assets of the Commodity Credit Corporation as of February 28, 1949, amounted to \$2,531,872,933.28.

EXPLANATION OF THE BILL, AS AMENDED BY SECTIONS

SECTION 1

Section 1 restores to the Secretary of Agriculture the authority to supervise and direct the activities of the Corporation. This authority was exercised by the Secretary of Agriculture until the passage of the Commodity Credit Corporation Charter Act on June 29, 1948. That act transferred the authority for supervision and direction of the operations of the Corporation to the Corporation's Board of Directors. The present bill, by restoring the situation which existed prior to the passage of the Commodity Credit Corporation Charter

Act, grants to the Secretary authority commensurate with his responsibilities. The Secretary of Agriculture has had full and continuous responsibility for price support since the Commodity Credit Corporation was placed in the Department of Agriculture in 1939. Although certain statutes directed the Commodity Credit Corporation to carry out specific price-support operations, it was the Secretary of Agriculture who ultimately was responsible because he was responsible for the supervision and direction of the Commodity Credit Corporation. During the same month in which the Commodity Credit Corporation Charter Act, which removed the Commodity Credit Corporation from the supervision and direction of the Secretary, was approved, the Agricultural Act of 1948 was also passed, and it specifically placed the responsibility for price support on the Secretary of Agriculture, effective January 1, 1949.

SECTION 2

This section would amend section 4 (h) of the Charter Act to restore to the Commodity Credit Corporation authority to acquire items of personal property used in connection with the care and preservation of agricultural commodities controlled by it. In addition, it will permit the Corporation to acquire such real property and such plants and facilities which are part of the realty as are necessary to provide adequate storage. The statute now in effect prevents the Corporation from acquiring or leasing any plant or facility for physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control, or from acquiring or leasing real property or any interest therein, except office space and real property owned by or leased by the Delaware Corporation on the date of enactment of the Charter Act.

The change proposed in the bill will permit the Corporation to utilize fully other authority contained in the Charter in such a manner as to develop a well-rounded program under which it could acquire grain bins and other storage facilities, make available such facilities to producers through the purchase and resale of bins and materials, make loans to construct or otherwise acquire such facilities, and assist in the solution of storage problems through other means. There would remain the general prohibition upon the acquisition of real property and a proviso would be added that the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate. It would also be provided that nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities.

As previously indicated in this report, this amendment is necessary in order to make the benefits of the price-support program fully available to farmers. It is the express desire of the committee that the authority given in this section not be used needlessly to duplicate or interfere with private trade facilities. The Department has stated

that it has no desire to use this authority to acquire or replace existing private trade facilities in any area, and the history of the Corporation prior to July 1, 1948, indicates that it will not do so. The provisions of this bill would not change in any respect the existing procedure for conducting tobacco-price-support operation through the facilities of auction warehouses and tobacco cooperatives. The storage facilities referred to in section 4 (h) of the charter as amended by the bill would not include auction warehouses. It is also understood that, to the extent that storage warehouse facilities are acquired, they would be operated by the tobacco cooperatives through which support operations are carried out.

Among witnesses appearing before the committee were representatives of the refrigerated warehousing industry. In their testimony, attention was called to the operation of the Bronx Terminal Market by the Commodity Credit Corporation in the city of New York. Because of the discussion of this particular facility, the Secretary of Agriculture deemed it advisable to submit to the chairman a letter under date of April 5, 1949. This letter follows:

APRIL 5, 1949.

HON. BRENT SPENCE,
*Chairman, Committee on Banking and Currency,
House of Representatives.*

DEAR MR. SPENCE: We note the testimony presented before your committee by Messrs. J. P. Johnson of the National Association of Refrigerated Warehouses and C. D. Johnston of the American Warehousemen's Association on March 22, 1949, in connection with the hearings on H. R. 2682.

Among other things, the import of their testimony was that the proposed bill would militate against the interests of public warehousemen, and, by illustration of this point, Mr. J. P. Johnson cited the operation of the Bronx Terminal Market by the Commodity Credit Corporation in the city of New York. In his brief for submission to your committee he states that the average occupancy of cold-storage warehouses in the New York City area is less than 40 percent, as a result of our operation of the Bronx Terminal Market.

Cold-storage figures indicate that warehouse space in the New York area is frequently below the average occupancy for the United States. This is accounted for by two reasons. One is due to the mathematical presentation of the occupancy data and the other due to the geographical position of the warehouses. In regards to the former, 68 percent of the cooler space in 28 of our leading storage cities was equal to or below the average for March of 1949. At the same time, four cities had an occupancy of over 80 percent and, of course, these high figures brought the average for the United States up considerably. In regards to geographical location, occupancy for warehouses in terminal markets such as New York, Philadelphia, and Boston are frequently below the United States average.

For inclusion in the record of the hearings before your committee, we wish to state that there are only 207 cars of commodities in the Bronx Terminal Market, and were these lots distributed among the 26 public cold-storage warehouses in New York City, it would result in the placement of less than eight lots in each of these warehouses. Taking into consideration the total cubic feet of net piling space in public general cold-storage facilities available in the city of New York, these 207 cars represent approximately 2 percent.

The Bronx Terminal Market has been used by the Corporation, principally as an emergency reserve storage facility, and it is also used for the purpose of conducting overpacking and strapping operations on freezer commodities. Cold storage warehousemen, generally, do not desire to have the latter operations performed at their plants. Commodities, such as frozen eggs, have been stored there at times when space was not available elsewhere in that area.

It has been and will continue to be the policy of Commodity Credit Corporation to utilize this facility for these purposes and for the storage of those commodities which are not normally acceptable to the warehousing industry, such as bagged potatoes bought under price support programs.

Sincerely yours,

CHARLES F. BRANNAN, *Secretary.*

SECTION 3

This section provides for a Board of Directors appointed by the Secretary of Agriculture and holding office at his pleasure. The Board would consist of the Secretary and six members. The statute now provides for a board of five members, including the Secretary or his designee, with four of the members appointed by the President with the advice and consent of the Senate, at least two of such members being persons not otherwise employed by the Federal Government.

The bill provides for an Advisory Board consisting of five members appointed by the President, and consisting of persons of broad agricultural and business experience. The Advisory Board is required to meet not less often than each 90 days to survey the general policies of the Corporation and to advise the Secretary with respect thereto. While it is the belief of the committee that the Board of Directors of the Corporation should be responsible to the Secretary, in order that he may most effectively discharge his responsibilities for price support, it is also believed that it will be advantageous to have periodically an appraisal of the Corporation's policies by an advisory group of "outside" individuals. This would not relieve the Secretary of primary responsibility but would aid him in carrying out the farm program; at the same time it would not interfere with the effective administration of the Corporation's activities.

SECTION 4

This section amends section 10 of the Charter Act to permit the Secretary similar control over the appointment of the officers and employees of the Corporation and the definition of their authority and duties as he exercises over other officers and employees of the Department. Under the Charter Act, responsibility for the day-to-day conduct of the business of the Corporation is vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board and it is required that members of the executive staff shall devote their full time to the affairs of the Corporation. Because of the close interrelationship between price-support operations and other activities of the Department, these restrictions should be eliminated.

SECTION 5

The principal change effected by this section of the proposed bill, as amended, is to amend section 4 (c) of the Commodity Credit Corporation Charter Act to permit certain suits against the United States as the real party in interest, based upon a claim against the Corporation, to be brought in the Court of Claims. Heretofore, such suits could not be brought in the Court of Claims. In addition, the period of time within which suits may be brought on the claims by or against the Corporation is extended from 4 years to 6 years in order to make the period uniform with the statute of limitations generally applicable to claims against the Government.

The bill also provides that a claim which would otherwise be barred by the statute of limitations may be pleaded by way of set-off or

counterclaim in a suit brought on a claim which arose before the statute had run upon the first claim. As an example, assume a claim by the Corporation against a contractor which arose in 1949 and to which the 6-year statute of limitation is applicable. In 1951, the Corporation becomes indebted to the contractor for a similar amount and applies that amount in satisfaction of its claim. If the contractor waited until 1956 and then brought suit against the Corporation to collect the amount of his claim against the Corporation which the Corporation had applied on its claim against the contractor, the Corporation would, if it attempted to plead its claim against the contractor as a set-off or counterclaim, be faced with the defense that the 6-year period of limitation had run on the Corporation's claim, since it arose in 1949. This amendment would clearly enable the Corporation to assert its claim in the suit. If, however, the claim of the Corporation had been barred prior to accrual of the creditor's claim, no set-off could be pleaded. Many States have similar statutes, enabling a defendant to plead a barred claim by set-off or counterclaim.

The provision restoring jurisdiction over claims against the United States based upon a claim against the Corporation to the Court of Claims and the provision for a uniform 6-year statute of limitations was recommended by the Chief Justice of the Court of Claims.

SECTION 6

This section of the proposed bill amends section 15 of the Charter Act by prohibiting the use by a private corporation or by any individual, association, or partnership of the name of the Corporation. Violation of this provision is made a misdemeanor. The Commodity Credit Corporation, as a Government agency and instrumentality, is carrying on its operations in all States and is widely known. It is advisable that its right to the exclusive use of its name be recognized, and that a penalty be attached to violation of this right, in order to minimize the danger of use of the same or a similar name by private parties who might thereby either innocently or willfully deceive or defraud persons who may believe that they are dealing with the Federal Commodity Credit Corporation. A similar provision protects the use of the name of the Reconstruction Finance Corporation.

SECTION 7

This section would amend the act of August 11, 1939, entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities in the United States for reserve stocks of strategic and critical materials produced abroad." It would permit the Commodity Credit Corporation to exchange agricultural commodities which it had acquired, for strategic and critical materials produced abroad and the Corporation would be reimbursed upon transfer of such material to the stock pile from funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock-piling would be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). The amount of the reimbursement that

the Corporation would receive for such materials transferred to the stock pile would be in an amount equal to the fair market value, as determined by the Secretary of the Treasury. The provision for reimbursement of the Corporation would in no way augment the funds made available for stock-piling purposes through normal appropriation procedure. However, the authority to make commodity exchanges can facilitate the acquisition of critical materials vital to our national defense.

CHANGES IN EXISTING LAW

In compliance with paragraph 2a of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

COMMODITY CREDIT CORPORATION CHARTER ACT

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Commodity Credit Corporation Charter Act".

SEC. 2. CREATION AND PURPOSES.—For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers (hereinafter collectively referred to as "agricultural commodities"), and of facilitating the orderly distribution of agricultural commodities, there is hereby created a body corporate to be known as Commodity Credit Corporation (hereinafter referred to as the "Corporation"), which shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general [direction and control of its Board of Directors] *super- vision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary")*.

SEC. 3. OFFICES.—The Corporation may establish offices in such place or places as it may deem necessary or desirable in the conduct of its business.

SEC. 4. GENERAL POWERS.—The Corporation—

(a) Shall have succession in its corporate name.

(b) May adopt, alter, and use a corporate seal, which shall be judicially noticed.

(c) May sue and be sued, but no attachment, injunction, garnishment, or other similar process, mesne or final, shall be issued against the Corporation or its property. The district courts of the United States, including the district courts of the District of Columbia and of any Territory or possession, shall have exclusive original jurisdiction of all suits brought by or against the Corporation: *Provided, That the Corporation may intervene in any court in any suit, action, or proceeding in which it has an interest. Any suit against the Corporation shall be brought in the District of Columbia, or in the district wherein the plaintiff resides or is engaged in business. No suit by or against the Corporation shall be allowed unless it shall have been brought within four years after the right accrued on which suit is brought. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such four-year period of limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: Provided, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit.* All suits against the Corporation shall be tried by the court without a jury. Notwithstanding any other provision of this Act, the Federal Tort Claims Act (Public Law 601, Seventy-ninth Congress) shall be applicable to the Corporation. Any suit by or against the United States as the real party in interest based upon any claim by or against the Corporation shall be subject to the provisions of this subsection (c) to the same extent as though such suit were by or against the Corporation.

(d) May adopt, amend, and repeal bylaws, rules, and regulations governing the manner in which its business may be conducted and the powers vested in it may be exercised.

(c) Shall have all the rights, privileges, and immunities of the United States with respect to the right to priority of payment with respect to debts due from insolvent, deceased, or bankrupt debtors. The Corporation may assert such rights, privileges, and immunities in any suit, action, or proceeding.

(f) Shall be entitled to the use of the United States mails in the same manner and upon the same conditions as the executive departments of the Federal Government.

(g) May enter into and carry out such contracts or agreements as are necessary in the conduct of its business. State and local regulatory laws or rules shall not be applicable with respect to contracts or agreements of the Corporation or the parties thereto to the extent that such contracts or agreements provide that such laws or rules shall not be applicable, or to the extent that such laws or rules are inconsistent with such contracts or agreements.

(h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control. [Except as provided in section 16, the Corporation shall not have power to acquire or lease any such plant or facility or to acquire or lease real property or any interest therein, except that it may rent or lease office space necessary for the conduct of its business and it may continue to lease (by renewing or extending existing leases or entering into new leases) property leased by it on the date of enactment of this Act.] *The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation.*

(i) May borrow money subject to any provision of law applicable to the Corporation: *Provided*, That the total of all money borrowed by the Corporation, other than trust deposits and advances received on sales, shall not at any time exceed in the aggregate \$4,750,000,000. The Corporation shall at all times reserve a sufficient amount of its authorized borrowing power which, together with other funds available to the Corporation, will enable it to purchase, in accordance with its contracts with lending agencies, notes, or other obligations evidencing loans made by such agencies under the Corporation's programs.

(j) Shall determine the character of and the necessity for its obligations and expenditures and the manner in which they shall be incurred; allowed, and paid.

(k) Shall have authority to make final and conclusive settlement and adjustment of any claims by or against the Corporation or the accounts of its fiscal officers.

(l) May make such loans and advances of its funds as are necessary in the conduct of its business.

(m) Shall have such powers as may be necessary or appropriate for the exercise of the powers specifically vested in the Corporation, and all such incidental powers as are customary in corporations generally; but any research financed by the Corporation shall relate to the conservation or disposal of commodities owned or controlled by the Corporation and shall be conducted in collaboration with research agencies of the Department of Agriculture.

* * * * *

[SEC. 9. DIRECTORS.—The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the "Board"). The Board shall consist of five members. The Secretary of Agriculture, or his nominee, shall be a member of the Board and the remaining members shall be appointed by the President by and with the advice and consent of the Senate. The Chairman of the Board shall be selected by the Board. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present. The appointed directors shall serve for a period of five years, except that the terms of the first Board shall be shortened to provide for replacement or reappointment of its members in number as nearly equal as practicable in each year. The power of removal shall be vested in the President of the United States. The Corporation may provide, by its bylaws, for the compensation to be paid the directors: *Provided*, That the compensation paid any director shall not exceed in the aggregate \$10,000 per annum: *And provided further*, That employees of the Corporation or any department or agency of the Federal Government, if also

directors, shall not receive additional compensation for their services on the Board. Employees of the Corporation or any department or agency of the Federal Government if also directors, shall not comprise, in the aggregate, more than three of the members of the Board.

The Secretary of Agriculture is authorized to appoint an interim Board consisting of five members, including the Secretary, who shall serve until October 1, 1948.】

SEC. 9. DIRECTORS: The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the "Board"), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as chairman of the Board. The Board shall consist of not less than six nor more than ten members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the minimum number of directors required on the Board shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

【SEC. 10. THE EXECUTIVE STAFF.—Responsibility for the day-to-day conduct of the business of the Corporation shall be vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board. Members of the executive staff shall devote their full time to the affairs of the Corporation. The Board shall define the authority and duties of the members of the executive staff, delegate to them such of the powers vested in the Corporation as it may determine, require that such of them as it may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds of any officer or employee. With the exception of experts, appointments shall be made pursuant to the civil-service laws and the Classification Act of 1923, as amended (5 U. S. C., 1940 edition, 661).】

SEC. 10. PERSONNEL OF CORPORATION: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661).

* * * * *

SEC. 15. CRIMES AND OFFENSES.—

FALSE STATEMENTS; OVERVALUATION OF SECURITIES

(a) Whoever makes any statement knowing it to be false, or whoever willfully overvalues any security, for the purpose of influencing in any way the action of the Corporation, or for the purpose of obtaining for himself or another, money, property, or anything of value, under this Act, or under any other Act applicable to the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment by not more than five years, or both.

EMBEZZLEMENT, AND SO FORTH; FALSE ENTRIES; FRAUDULENT ISSUE OF OBLIGATIONS OF CORPORATION

(b) Whoever, being connected in any capacity with the Corporation or any of its programs, (i) embezzles, abstracts, purloins, or willfully misapplies any money, funds, securities, or other things of value, whether belonging to the Corporation or pledged or otherwise entrusted to it; or (ii) with intent to defraud the Corporation, or any other body, politic or corporate, or any individual, or to deceive any officer, auditor, or examiner of the Corporation, makes any false entry in any book, report, or statement of, or to, the Corporation, or draws any order, or issues, puts forth or assigns any note or other obligation or draft, mortgage, judgment, or decree thereof; or (iii) with intent to defraud the Corporation, participates or shares in, or receives directly or indirectly any money,

profit, property, or benefits through any transaction, loan, commission, contract, or any other act of the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

LARCENY; CONVERSION OF PROPERTY

(c) Whoever shall willfully steal, conceal, remove, dispose of, or convert to his own use or to that of another any property owned or held by, or mortgaged or pledged to, the Corporation, shall, upon conviction thereof, be punished by a fine of not more than \$10,000 or by imprisonment for not more than five years, or both.

CONSPIRACY TO COMMIT OFFENSE

(d) Whoever conspires with another to accomplish any of the acts made unlawful by the preceding provisions of this section shall, upon conviction thereof, be subject to the same fine or imprisonment, or both, as is applicable in the case of conviction for doing such unlawful acts.

GENERAL STATUTES APPLICABLE

(e) All the general penal statutes relating to crimes and offenses against the United States shall apply with respect to the Corporation, its property, money, contracts and agreements, employees, and operations: *Provided*, That such general penal statutes shall not apply to the extent that they relate to crimes and offenses punishable under subsections (a), (b), (c), and (d) of this section: *Provided further*, That sections 114 and 115 of the Act of March 4, 1909, as amended (18 U. S. C., 1940 edition, 204, 205), shall not apply to contracts or agreements of a kind which the Corporation may enter into with farmers participating in a program of the Corporation.

* * * * *

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or a combination of these three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

STRATEGIC AND CRITICAL MATERIALS STOCK PILING ACT

* * * * *

SEC. 6. * * *

* * * * *

(b) Any transfer made pursuant to this section shall be made without charge against or reimbursement from the funds available under this Act, except that expenses incident to such transfer may be paid or reimbursed from such funds, and except that, upon any such transfer from the *Commodity Credit Corporation* or *Reconstruction Finance Corporation*, or any corporation organized by virtue of the authority contained in the Act of January 22, 1932 (47 Stat. 5), the Secretary of the Treasury shall cancel notes of *Commodity Credit Corporation* or *Reconstruction Finance Corporation*, and sums due and unpaid upon or in connection with such notes at the time of such cancellation, in an amount equal to the fair market value as determined by the Secretary of the Treasury of the material so transferred, *whichever of such corporations is involved in the transfer*.

* * * * *



81ST CONGRESS
1ST SESSION

H. R. 2682

[Report No. 418]

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 1949

Mr. SPENCE introduced the following bill; which was referred to the Committee on Banking and Currency

APRIL 9, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That section 2 of the Commodity Credit Corporation Charter

4 Act (Public Law Numbered 806, Eightieth Congress) is

5 amended by deleting the words "direction and control of its

6 Board of Directors" at the end of the said section and sub-

7 stituting therefor the words "supervision and direction of

8 the Secretary of Agriculture (hereinafter referred to as the

9 'Secretary')".

10 SEC. 2. Section 4 (h) of the said Commodity Credit

1 Corporation Charter Act is amended by deleting the second
2 sentence thereof and inserting in its place the following:
3 “The Corporation shall have power to acquire personal
4 property necessary to the conduct of its business but shall not
5 have power to acquire real property or any interest therein
6 except that it may (a) rent or lease office space necessary
7 for the conduct of its business and (b) acquire real property
8 or any interest therein for the purpose of providing storage
9 adequate to carry out effectively and efficiently any of the
10 Corporation’s programs, or of securing or discharging obliga-
11 tions owing to the Corporation, or of otherwise protecting
12 the financial interests of the Corporation: *Provided, That*
13 *the authority contained in this subsection (h) shall not be*
14 *utilized by the Corporation for the purpose of acquiring real*
15 *property, or any interest therein, in order to provide storage*
16 *facilities for any commodity unless the Corporation deter-*
17 *mines that existing privately owned storage facilities for such*
18 *commodity in the area concerned are not adequate: And*
19 *provided further, That nothing contained in this subsection*
20 *(h) shall limit the duty of the Corporation, to the maximum*
21 *extent practicable consistent with the fulfillment of the Cor-*
22 *poration’s purposes and the effective and efficient conduct of*
23 *its business, to utilize the usual and customary channels,*
24 *facilities, and arrangements of trade and commerce in the*
25 *warehousing of commodities.”*

1 SEC. 3. Section 9 of the said Commodity Credit Cor-
2 poration Charter Act is amended to read as follows:

3 "SEC. 9. DIRECTORS, *ADVISORY BOARD*: (a) The
4 management of the Corporation shall be vested in a board
5 of directors (hereinafter referred to as the 'Board'), subject
6 to the general supervision and direction of the Secretary.
7 The Secretary shall be an ex officio director and shall serve
8 as Chairman of the Board. The Board shall consist of ~~not~~
9 ~~less than six nor more than ten~~ *six* members (in addition
10 to the Secretary), who shall be appointed by, and hold
11 office at the pleasure of, the Secretary. In addition to their
12 duties as members of the Board, such appointed members
13 shall perform such other duties as may be prescribed by
14 the Secretary. Each appointed member of the Board shall
15 receive compensation at such rate not in excess of the maxi-
16 mum then payable under the Classification Act of 1923, as
17 amended, as may be fixed by the Secretary, except that any
18 such member who holds another office or position under
19 the Federal Government the compensation for which exceeds
20 such rate may elect to receive compensation at the rate
21 provided for such other office or position in lieu of the com-
22 pensation provided by this section. A majority of the
23 ~~minimum number of directors required on the Board~~ *directors*
24 shall constitute a quorum of the Board and action shall be
25 taken only by a majority vote of those present."

1 “(b) In addition to the Board of Directors there shall
2 be an advisory board reflecting broad agricultural and busi-
3 ness experience in its membership and consisting of five
4 members appointed by the President of the United States,
5 not more than three of whom shall belong to the same political
6 party. The advisory board shall meet at the call of the
7 Secretary, who shall require it to meet not less often than
8 once each ninety days; shall survey the general policies of
9 the Corporation, including its policies in connection with
10 the purchase, storage, and sale of commodities, and the opera-
11 tion of lending and price-support programs; and shall advise
12 the Secretary with respect thereto. Members of the advisory
13 board shall receive for their services as members compensa-
14 tion of not to exceed \$50 per diem when actually engaged
15 in the performance of their duties as such, together with their
16 necessary traveling expenses while going to and coming from
17 meetings.”

18 SEC. 4. Section 10 of the said Commodity Credit Cor-
19 poration Charter Act is amended to read as follows:

20 “SEC. 10. Personnel of Corporation: The Secretary shall
21 appoint such officers and employees as may be necessary
22 for the conduct of the business of the Corporation, define
23 their authority and duties, delegate to them such of the
24 powers vested in the Corporation as he may determine,
25 require that such of them as he may designate be bonded

1 and fix the penalties therefor. The Corporation may pay
2 the premium of any bond or bonds. With the exception
3 of experts, appointments shall be made pursuant to the civil
4 service laws and the Classification Act of 1923, as amended
5 (5 U. S. C., 1946 edition, 661).”

6 ~~SEC. 5. Section 4 (c) of the Commodity Credit Cor-~~
7 ~~poration Charter Act is amended by inserting after the sen-~~
8 ~~tence, “No suit by or against the Corporation shall be al-~~
9 ~~lowed unless it shall have been brought within four years~~
10 ~~after the right accrued on which suit is brought”, the fol-~~
11 ~~lowing sentence: “The defendant in any suit by or against~~
12 ~~the Corporation may plead, by way of set-off or counter-~~
13 ~~claim, any cause of action, whether arising out of the same~~
14 ~~transaction or not, which would otherwise be barred by such~~
15 ~~four-year period of limitation if the claim upon which the~~
16 ~~defendant’s cause of action is based had not been barred~~
17 ~~prior to the date that the plaintiff’s cause of action arose:~~
18 ~~Provided, That the defendant shall not be awarded a judg-~~
19 ~~ment on any such set-off or counterclaim for any amount in~~
20 ~~excess of the amount of the plaintiff’s claim established in~~
21 ~~the suit.”~~

22 *SEC. 5. Section 4 (c) of the Commodity Credit Corpo-*
23 *ration Charter Act is amended—*

24 *(a) by inserting in the second sentence thereof after*

the word "jurisdiction" a comma and the following:
"without regard to the amount in controversy,";

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: "No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued and the suit shall have been brought within three years after the disability shall have ceased. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: Provided, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of

the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court”.

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

“USE OF WORDS ‘COMMODITY CREDIT CORPORATION’

“(f) No individual, association, partnership, or corporation shall use the words ‘Commodity Credit Corporation’ or a combination of these three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both.”

SEC. 7. Subsection (b) of section 6 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596) is hereby amended by inserting the words “Commodity Credit Corporation or” before the words “the Reconstruction Finance Corporation” wherever they appear in such subsec-

tion and by striking out the period at the end of such subsection and adding the following: “, whichever of such corporations is involved in the transfer.”

SEC. 7. *The Act, entitled “An Act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad”, approved August 11, 1939, is amended to read as follows: “That, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the*

1 *funds made available for the purpose of the Strategic and*
2 *Critical Materials Stock Piling Act, in an amount equal*
3 *to the fair market value, as determined by the Secretary of*
4 *the Treasury, of the material transferred to the stock pile."*

Amend the title so as to read: "A bill to amend the
Commodity Credit Corporation Charter Act, and for other
purposes."

81ST CONGRESS
1ST SESSION

H. R. 2682

[Report No. 418]

A BILL

To amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

By Mr. SPENCE

FEBRUARY 14, 1949.

Referred to the Committee on Banking and Currency

APRIL 9, 1949

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

Initial planting program on national forest lands by States (as of March 1949)—Con.

State	Non-stocked land	Under-stocked land	Total
	<i>Acres</i>	<i>Acres</i>	<i>Acres</i>
Michigan.....	510,000	180,000	690,000
Minnesota.....	175,000	190,000	365,000
Mississippi.....	155,000	17,000	172,000
Missouri.....	25,000	17,000	42,000
Montana.....	90,000	5,000	95,000
Nebraska.....	9,000	-----	9,000
Nevada.....	15,000	-----	15,000
New Hampshire.....	2,000	-----	2,000
New Mexico.....	115,000	5,000	120,000
North Carolina.....	10,000	5,000	15,000
Ohio.....	10,000	1,000	11,000
Oregon.....	310,000	220,000	530,000
Pennsylvania.....	45,000	6,000	51,000
South Carolina.....	15,000	6,000	21,000
South Dakota.....	30,000	3,000	33,000
Tennessee.....	5,000	-----	5,000
Texas.....	10,000	17,000	27,000
Utah.....	10,000	-----	10,000
Vermont.....	1,000	1,000	2,000
Washington.....	135,000	70,000	205,000
West Virginia.....	12,000	1,000	13,000
Wisconsin.....	165,000	95,000	260,000
Wyoming.....	1,500	-----	1,500
Virginia.....	1,000	6,000	7,000
Total.....	2,938,000	1,173,000	4,111,000

State:	<i>Acres</i>
Arizona.....	100,000
California.....	250,000
Colorado.....	450,000
Idaho.....	526,000
Montana.....	100,000
Nevada.....	600,000
New Mexico.....	250,000
Oregon.....	280,000
South Dakota.....	10,000
Utah.....	1,169,000
Washington.....	65,000
Wyoming.....	200,000
Total.....	4,000,000

Mr. ANDERSON. Mr. President, my hope is that this authority may be granted, and then the whole matter may be considered by the Appropriations Committee, and funds may then be made available in such amounts as the Congress may determine.

But I believe it is important to start now in the replanting of our forests. During the wartime period we harvested timber 50 percent faster than it was grown; and if that process is not reversed, we shall soon have exhausted our supply of timber.

Mr. RUSSELL. Mr. President, I am heartily in favor of the purpose, but I am interested to know the amount of the authorization proposed.

Mr. ANDERSON. Three million dollars is proposed for the first year, and then there would be gradually increasing amounts, until finally a rather substantial sum would be reached. It would be \$5,000,000 in the second year, \$7,000,000 in the third year, \$8,000,000 in the fourth year, and thereafter \$10,000,000 a year for a long period; but all those are thus far merely proposed authorizations; and appropriations would be required, of course.

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. TYDINGS. How many trees does the Senator anticipate will be planted during the first year for which the \$3,000,000 expenditure will be made, if such appropriation is actually made?

Mr. ANDERSON. I cannot answer the question, because the difference in costs of plantation as between various areas is substantial. But I have already had inserted in the RECORD a list of the various States and the amount of acreage in each State. The total is somewhat in excess of 4,000,000 acres, and nearly every State in the Union is affected.

The VICE PRESIDENT. Is there objection to the present consideration of the joint resolution?

There being no objection, the joint resolution (S. J. Res. 53) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Resolved, etc., That it is the declared policy of the Congress to accelerate and provide a continuing basis for the needed reforestation and revegetation of national-forest lands and other lands under administration or control of the Forest Service of the Department of Agriculture in order to obtain the benefits hereinbefore enumerated.

SEC. 2. For the purpose of carrying out the provisions of this joint resolution on national-forest lands and other lands under the administration or control of the Forest Service of the Department of Agriculture, including the acquisition of land or interests therein for nurseries, there is hereby authorized to be appropriated to remain available until December 31 of the ensuing fiscal year, \$3,000,000 for the fiscal year ending June 30, 1951; \$5,000,000 for the fiscal year ending June 30, 1952; \$7,000,000 for the fiscal year ending June 30, 1953; \$8,000,000 for the fiscal year ending June 30, 1954; \$10,000,000 for the fiscal year ending June 30, 1955; a like amount for each subsequent year through the fiscal year ending June 30, 1965, and thereafter such amounts as may be needed for reforestation; and \$1,500,000 for the fiscal year ending June 30, 1951; \$1,750,000 for the fiscal year ending June 30, 1952; \$2,000,000 for the fiscal year ending June 30, 1953; \$2,500,000 for the fiscal year ending June 30, 1954; \$3,000,000 for the fiscal year ending June 30, 1955; a like amount for each subsequent year through the fiscal year ending June 30, 1965, and thereafter such amounts as may be needed for range revegetation.

The preamble was agreed to.

TRANSFER OF LAND IN ROBINSON REMOUNT STATION, NEBR.—BILL PASSED OVER

The bill (S. 314) authorizing the transfer of a certain tract of land in the Robinson Remount Station to the city of Crawford, Nebr., and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, reserving the right to object, I wish to make a brief comment on the bill, which I hope will be discussed by the senior Senator from Nebraska [Mr. BUTLER].

This bill presents a difficulty in respect to an important matter of policy which I think should be considered by the Senate in connection with the question of disposing of property belonging to all the people of the United States for the benefit of a group in a particular locality.

As I read the report on the bill, what it amounts to, when we get down to its very essence, is that it is proposed that approximately 43 acres of land be given to

the citizens of Crawford, Nebr., for public park purposes. I am at a loss to understand why all the people of the United States should donate a park to Crawford, Nebr. The record in this case shows that there is involved the question of an easement for a water main; and I certainly think the people of Crawford, Nebr., should have that easement. I think the record also shows that certain park improvements have been made by the people of Crawford, Nebr., because over the years they have been making use of these 43 acres for park purposes.

I should like to accommodate the Senators from Nebraska; but, so far as I am concerned, as in the last session of Congress, I think we must call a halt to giving away Federal property for the benefit of people in local communities, without their paying a reasonable or fair price for the benefit received.

I would much prefer this bill if it provided that the people of Crawford, Nebr., should pay 50 percent of the appraised value of the 43 acres of land.

Of course this bill involves a rather small item; but some time ago the Senators from Michigan encountered the same difficulty with respect to Fort Wayne; the Senators from Massachusetts ran into a similar difficulty in respect to a park in Massachusetts, and the Senators from Minnesota ran into the same difficulty in respect to certain property wanted by the University of Minnesota Medical School. Certainly we should follow a consistent principle in regard to all these matters; and I have not been shown to date that in such proposals as these an equitable solution would not be to have the citizens involved pay 50 percent of the appraised value of the property.

So, Mr. President, subject to the right of the Senator from Nebraska to reply to this point, I wish to object.

Mr. BUTLER. Mr. President, I wish to say that I appreciate very much the remarks of the Senator from Oregon, and I further wish to say that I am very sympathetic with him in regard to a general proviso that towns or municipalities or other groups which receive Federal property should pay something for it.

In this case, this particular piece of land was put under a revokable lease some 23 or 25 years ago. I suppose the land was then worth not more than \$5 an acre. Since then it has been improved by the people of the city of Crawford, so that it has provided public park services, not only to the people of Crawford and their community, but also to the persons living in the remount station grounds. At times hundreds of such persons enjoyed the benefits.

The land was made into a park. It is not a residential part of the city at all; it is a playground or recreation area. At the present time there is a concrete stadium there, for which the people of Crawford have paid.

In view of the free services on the part of the people of Crawford to the people attached to the remount station, who are our servants, I think the people of Crawford have paid a considerable

amount for this small tract of 43 acres, which is a part of some 15,000 or 20,000 acres of the remount station.

I have given the distinguished Senator from Oregon the other facts pertaining to the matter. The bill was passed in the Eightieth Congress, but it reached the House of Representatives too late for action there before the end of the session. That is why the bill has not been enacted before now.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, I think the bill is in need of amendment; therefore I object at this time.

The VICE PRESIDENT. Objection being heard, the bill is passed over.

Mr. BUTLER. Mr. President, may I have the understanding that we will try to bring up the bill at the close of the calendar call?

The VICE PRESIDENT. The Chair cannot have any understanding about it.

Mr. BUTLER. I make a motion to that effect.

The VICE PRESIDENT. The clerk will call the next bill.

BILL PASSED OVER

The bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. TAFT. Mr. President, I object.

The VICE PRESIDENT. On objection, the bill will be passed over.

TRANSFER OF POMONA STATION OF AGRICULTURE REMOUNT SERVICE

The bill (S. 969) to transfer the Pomona station of the Agriculture Remount Service, Department of Agriculture, at Pomona, Calif., was announced as next in order.

The VICE PRESIDENT. Is their objection?

Mr. WHERRY. Mr. President, reserving the right to object, am I correct in my understanding that we are now on Calendar 84, Senate bill 969?

The VICE PRESIDENT. That is correct.

Mr. WHERRY. If I may inquire, can the Senator from Oregon tell us whether consideration of this bill also is objected to on the same basis as the objection to the bill relative to Crawford, Nebr.?

Mr. MORSE. No. Mr. President, I have gone into this bill, and it is a good example of the distinction in principle to which I have heretofore alluded. In this case all the bill proposes to do is to return to the Kellogg Foundation the property which they sought to turn over and did turn over to the Federal Government for a particular use. The Federal Government no longer desiring the property for that purpose, I think it is perfectly proper to return the property to the Kellogg Foundation. It is not a case of giving away property that belongs to all the people of the United States, but rather returning property turned over to the Government for a particular use which the Government no longer wants to make use of. I have no objection.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Agriculture and Forestry with an amendment on page 1, line 7, after the word "California", to strike out ", which was conveyed to the United States acting through the War Department (now Department of the Army) by W. K. Kellogg", and insert "which tract, originally in the ownership of W. K. Kellogg, was conveyed to the United States acting through the War Department (now Department of the Army)", so as to make the bill read:

Be it enacted, etc., That the Secretary of Agriculture is authorized and directed to transfer and convey to the W. K. Kellogg Foundation, Inc., without cost, the real property, comprising 812 acres, more or less, of the Agriculture Remount Station at Pomona, Calif., which was conveyed to the United States acting through the War Department (now Department of the Army) by W. K. Kellogg and subsequently transferred to the Department of Agriculture pursuant to the act of April 21, 1948 (62 Stat. 197), and such of the personal property of this station as may be agreed upon, in writing, by the Secretary of Agriculture and the W. K. Kellogg Foundation, Inc.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

ADMINISTRATION OF CENTRAL INTELLIGENCE AGENCY—BILL PASSED OVER

The bill (H. R. 2663) to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes, was announced as next in order.

Mr. TYDINGS. Mr. President, I should like to make a brief explanation of the bill. This is a very important bill to those who are identified with the Central Intelligence Agency. In modern times it is necessary to assemble all the information that can be obtained concerning our own national security and its relationship to the national security of other countries. All governments—we might as well be frank about it—utilize every reasonable agency they can to assemble desirable information concerning the activities of other governments. Sometimes in some countries men who are engaged in trying to find out what is going on lose their lives. They are caught, held as spies, and liquidated. They are never heard of again. The bill does not provide for any new activity. What it does particularly is to seek to safeguard information procured by agents of the Government so that it will not fall into the hands of enemy countries or potential enemy countries who would use the information to discover who the agents were, and kill them.

To my certain knowledge, in a certain area, not many years ago three good Americans who were trying to serve their Government by finding out whether the intentions of another government were strictly honorable were liquidated. The men were detected and killed. What the bill does is to seek to keep their names and identities out of the normal accounting channels, so that they cannot be picked up through the promiscuous dis-

semination of information. That is the principal point in the bill.

I shall not ask for its immediate consideration. I know there are some Senators, one of whom is my good friend and colleague, the Senator from North Dakota, who wants more time to look into it. But I wanted to make this brief explanation, so that Senators would have in mind what is in the bill as they consider it and read it in the future. I shall be very glad to yield, within the time limit that is left to me, to answer, if I can, any question any Senator may desire to raise.

The VICE PRESIDENT. The bill will be passed over, then.

DISCLOSURES RELATING TO UNITED STATES CODES, ETC.—BILL PASSED OVER

The bill (S. 277) to enhance further the security of the United States by preventing disclosures of information concerning the cryptographic systems and the communications intelligence activities of the United States was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. FERGUSON. Mr. President, reserving the right to object, in order to get an answer on the RECORD, I may say that the Senator from Texas [Mr. JOHNSON] explained to the Senator from Michigan that the words "lawful demands," do not mean that a subpoena by Congress will be necessary in order to obtain information for congressional committees, either of the Senate or House, or joint committees. Will the Senator from Texas make a statement to that effect for the RECORD?

Mr. JOHNSON of Texas. The Senator from Michigan has correctly stated the meaning.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. JOHNSON of Colorado. I ask that the bill go over.

The VICE PRESIDENT. Does the Senator object?

Mr. JOHNSON of Colorado. I object.

The VICE PRESIDENT. The bill will be passed over.

BILL PASSED OVER

The bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, was announced as next in order.

Mr. WHERRY. Mr. President, by request, I ask that the bill go over. I should also like to have the same statement made following the objection raised by me to Calendar 71, Senate bill 1070.

The VICE PRESIDENT. On objection, the bill will be passed over.

BILL PASSED OVER

The bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. LODGE. By request, I object.

Mr. THOMAS of Oklahoma. Mr. President, I should like to inquire whether the Senator from Massachusetts will withhold the objection for a moment?

Mr. LODGE. I may say to the Senator from Oklahoma I am making objection at the request of a colleague who cannot be present today. I, myself, have no interest in the matter.

Mr. THOMAS of Oklahoma. Mr. President, essentially the bill contains but two provisions. One is a reference to the board personnel. The second is a reference to broadening the powers of the Commodity Credit Corporation. I understand there are objections to the personnel of the board as proposed in the bill. It is not necessary, in my opinion, to consider the second objective, which is to give the Commodity Credit Corporation power to acquire property by gift, lease, or otherwise for the construction of storage facilities. In order to secure action on the bill if the objection runs to the first feature, the personnel of the board, I should be willing, as author of the bill in part, to waive that feature in order to have the second part enacted into law.

Mr. LODGE. I may say to the Senator I, myself, have no knowledge of the bill. My colleague is necessarily absent today, and I suggest that it go over until his return, which will be very soon.

The VICE PRESIDENT. On objection the bill will be passed over.

FEDERAL HOUSING IN ALASKA

The bill (S. 851) to promote the settlement and development of the public domain in the Territory of Alaska by facilitating the construction of necessary housing therein and for other purposes, was announced as next in order.

The VICE PRESIDENT. Is there objection?

Mr. MAGNUSON. Mr. President, I do not know which Senator raised objection, but I hope he will reserve the right to object, in order that I may offer an explanation.

The VICE PRESIDENT. The Chair has not heard any Senator object. The Chair recognized the Senator from Washington. But if a Senator wishes to be recognized in order to object, the Chair will recognize him.

Mr. WATKINS. Mr. President, reserving the right to object, I should like to ask for information about the bill. I wanted to have an explanation.

Mr. MAGNUSON. I may say to the Senator from Utah that my colleague and myself are quite anxious that the bill be not passed over, for the reason that there is an explanation for it, and a further more compelling reason, that the season in Alaska for housing construction is very short, and unless the bill can be passed, the whole season will be lost, particularly in the northern area of Alaska.

Mr. WATKINS. What does the bill seek to do?

Mr. MAGNUSON. The bill proposes a certain housing code applicable to Alaskan construction, which is of a peculiar character. It creates a different set of

rules and regulations, whereby the Federal Housing Authority may operate in Alaska. I am sure my colleague could furnish the Senator from Utah the details. I hope there will be no objection, because it is important that the bill be considered promptly, by reason of the shortness of the season in Alaska.

Mr. WATKINS. There may be no objection, when we know what it is all about.

Mr. CAIN. Mr. President, I should like to say, very briefly, to my friend the Senator from Utah and all other Senators, that the bill which is before us presumes to accomplish four objectives. First, the Federal Housing Authority may increase by one-third the dollar amount limitation for insuring mortgages in Alaska.

Second, the powers of Federal National Mortgage Association are broadened and liberalized in two ways:

A. Direct loans can be made if such loans are insured by FHA.

B. Loans may be purchased in excess of the statutory \$10,000 ceiling, and more than 50 percent of the mortgages held by any mortgagee can be purchased.

Third, the Alaskan Housing Authority, with the consent of the Alaska Legislature, is permitted to make loans for either sale or rental housing. It is also permitted to make small or character loans.

Fourth, the FNMA would have the power to purchase from the Alaska Housing Authority, notes up to \$15,000,000. These notes are interest-bearing and would have a 40-year maturity.

The reason the bill was favorably considered by the Senate Committee on Banking and Currency is that circumstances and conditions pertaining to Alaska will not be found anywhere else under the American flag.

Mr. WATKINS. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. WATKINS. Was the report of the committee unanimous?

Mr. CAIN. I think the report of the committee was unanimous. The Senator from Alabama [Mr. SPARKMAN], a member of the committee, can speak with better authority than can I.

Mr. SPARKMAN. If the Senator will yield, I will say that the report of the Banking and Currency Committee was unanimous. I may add that the House Committee on Banking and Currency has likewise reported a similar bill, and I believe it is scheduled on the calendar today.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CAIN. I yield.

Mr. MAGNUSON. That report was also unanimous.

This bill involves a problem of health in Alaska. The Eskimos are being rapidly wiped out because of tuberculosis. The disease was introduced by the white man, and research has developed the fact the diseases is increasing because of the camp and igloo conditions, and their summer housing. The bill would allow the Alaskan Housing Authority to make small character loans to the extent of

from \$100 to \$200 to the Eskimos, who fish in the summer and have money at that time, so that they may build floors in their camps and tents. It is thought that in that way we can stop the spread of tuberculosis among the Eskimos and the Aleutian Indians, who are rapidly disappearing. The housing situation in Alaska is very acute, and we hope to get started this year. I hope the Senate will pass the bill. As has been pointed out, it has the unanimous approval of the House Committee on Banking and Currency and of the Senate Committee on Banking and Currency.

Mr. HENDRICKSON. Mr. President, reserving the right to object, may I ask whether the bill has the personal approval of the junior Senator from Washington.

Mr. CAIN. In response to the proper and direct question from my colleague the junior Senator from New Jersey, "Does the junior Senator from Washington personally endorse this bill?" My answer is a most positive "Yes."

This bill, S. 851, permits of mortgage-lending procedures by both the Federal Housing Authority and the Federal National Mortgage Association with which I thoroughly disapprove. Those procedures are excessive loan limitations and direct equity loans. I retreat from these objectionable practices only for the compelling reason that this legislation pertains to Alaska, not the continental United States.

Needs for housing, both for sale and rental are desperately needed there. Lending agencies up there are few. Private builders are unable to finance houses they desire to create. Building loans are unattractive to lenders, who can readily make other types of loans at interest rates up to 8 percent. Building costs are from 35 to 100 higher than in the Pacific Northwest. The building season is short. Transportation of needed materials from the States is and has been subjected to disastrous maritime interruptions which add to the costs. It is for these inescapable factors that I, in this legislation approve those lending procedures that I shall sturdily oppose within continental United States.

Mr. HENDRICKSON. Mr. President, in view of the explanation, I withdraw my objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill? The Chair hears none.

There being no objection, the Senate proceeded to consider the bill (S. 851) to promote the settlement and development of the public domain in the Territory of Alaska by facilitating the construction of necessary housing therein, and for other purposes, which had been reported from the Committee on Banking and Currency, with amendments, on page 1, line 3, to strike out "That (a) title II of the National Housing Act, as amended," and to insert "That this act may be cited as the 'Alaska Housing Act'"; on page 1, line 5, to insert "Sec. 2. (a) Title II of the National Housing Act, as amended"; on page 2, lines 3 and 4, to strike out "title II and title VI of"; in line 7, to strike out "said titles" and in-

sert "this"; in line 12, to strike out "(b) Notwithstanding any of the provisions of the National Housing Act, as amended, or any other law, the Alaska", and to insert:

No mortgage with respect to a project or property in Alaska shall be accepted for insurance under this act unless the Commissioner finds that the project or property is an acceptable risk, giving consideration to the acute housing shortage in Alaska: *Provided*, That any such mortgage may be insured or accepted for insurance without regard to any requirement in any other section of this act that the Commissioner find the project or property to be economically sound or an acceptable risk. Notwithstanding any of the provisions of this act or any other law, the Alaska.

On page 2, line 25, and on page 3, beginning with line 1, to strike out "mortgage insurance under the provisions of titles II and VI of said act; and paragraph (A) of the proviso of section 301 (a) (1) of the National Housing Act, as amended, shall not apply to any mortgage offered, for purchase, to the Federal National Mortgage Association by, or if it covers property held by, the Alaska Housing Authority or any Federal, Territorial, or municipal instrumentality in Alaska," and insert "mortgage insurance under the provisions of this act. Upon application by the mortgagee, where the Alaska Housing Authority is the mortgagor or mortgagee, for the insurance of a mortgage under any provisions of this act, the Commissioner is authorized to insure the mortgage (including advances thereon where otherwise authorized), and to make commitments for the insuring of any such mortgages prior to the date of their execution or disbursement thereon, under such provisions (and this section) without regard to any requirement that the mortgagor shall be the owner and occupant of the property or shall have paid a prescribed amount on account of such property."

On page 3, line 20, to strike out "(c)" and insert "(b)"; on page 4, line 2, to strike out "title III of"; beginning in line 4, to strike out "unless enacted expressly in limitation hereof, the Federal National Mortgage Association shall be authorized to make real-estate loans, including advances thereon during construction, secured by property located in Alaska if such loans or advances are insured under any of the provisions of title II or title VI of the National Housing Act, as amended" and insert "unless enacted expressly in limitation hereof, any mortgage loans, or partial interests therein, may be offered to the Federal National Mortgage Association for purchase, and the association shall be authorized to make real-estate loans, including advances thereon during construction, if such loans or advances are secured by property located in Alaska and insured under any of the provisions of the National Housing Act, as amended."

On the same page, line 18, to strike out "2" and insert "3"; at the beginning of line 24, to insert "other", and in line 25, after the word "for", to strike out "other"; on page 5, beginning in line 8, after the word "investment", to insert: "and the legislature of that Territory

may authorize said authority to make character loans to individuals or cooperatives for the improvement, conversion, or construction of dwellings in remote areas to be occupied by such individuals or members of such cooperatives where the loan does not exceed \$500 per dwelling."

Mr. WHERRY. Mr. President, will the Senator from Washington yield?

Mr. CAIN. I yield.

Mr. WHERRY. Is this public housing?

Mr. CAIN. The bill, in itself, has nothing whatsoever to do with the question of subsidized low-rent housing.

The PRESIDING OFFICER (Mr. KERR in the chair). The clerk will state the next committee amendment.

The next amendment was, on page 6, line 4, after the word "interest", to insert:

And provided further, That such Authority shall exercise its powers under this section to encourage and assist the production, at lower costs, of housing of sound standards of design, construction, livability, and size for adequate family life, and the development of well planned residential neighborhoods. Any law enacted by the Legislature of the Territory of Alaska which, except for its enactment prior to the enactment of this act, would be authorized under this section, is hereby authorized, approved, and validated.

In lines 15 and 16, to strike out "projects for the construction and sale or rental of dwelling accommodations, or of making loans for such projects, the", and insert "and administering projects or of making loans pursuant to any authority conferred by the Legislature of the Territory of Alaska under subsection (a) of this section, the."

On page 7, beginning in line 2, to insert:

Provided, That such notes and other obligations issued and outstanding for the purpose of making character loans to individuals or cooperatives shall not exceed \$1,000,000.

Beginning in line 16, to strike out:

(c) The Governor of Alaska shall make an annual report to the Housing and Home Finance Administrator, for transmission to the Congress, for each fiscal year, ending on June 30, with respect to activities pursuant to the authorization provided in this section.

And insert:

(c) The Alaska Housing Authority shall make an annual report to the Governor of Alaska on all of the activities of the Authority, for each fiscal year ending June 30, for transmission with his comments and recommendations to the Housing and Home Finance Administrator.

On page 8, beginning in line 11, to strike out "section, and all funds available for carrying out the functions of the Administrator and the Alaska Housing Authority under this section (including appropriations therefor, which are hereby authorized) shall be available in such amounts as many from year to year be authorized by the Congress for the administrative expenses of the Administrator and the Alaska Housing Authority in connection with the performance of such functions" and insert: "section. In the performance of, and with respect to, the functions, powers, and duties vested in him by this section, the Administrator,

notwithstanding the provisions of any other law, shall maintain an integral set of accounts which shall be audited annually by the General Accounting Office in accordance with the principles and procedures applicable to commercial transactions as provided by the Government Corporation Control Act, as amended, and no other audit shall be required: *Provided*, That such financial transactions of the Administrator as the making of loans or advances of funds and vouchers approved by the Administrator in connection with such financial transactions shall be final and conclusive upon all officers of the Government."

On pages 9 and 10, to strike out section 3 as follows:

SEC. 3. Notwithstanding any of the provisions of the National Housing Act, as amended, the Federal Housing Commissioner is authorized, upon application by the mortgagee, to insure or to make commitments to insure under section 207 of title II, or section 603 or section 608 of title VI, of said act, as amended, any mortgage executed in connection with the sale by the Alaska Housing Authority of any housing constructed or acquired by it under the authorization provided in this act (including any property acquired, held, or constructed in connection with such housing or to serve the inhabitants thereof, without regard to—

(1) any limit as to the time when any mortgage may be insured under said title VI;

(2) any limit as to the aggregate amount of principal obligations of all mortgages insured under said title VI, but the aggregate amount of principal obligations of all mortgages insured under title VI pursuant to this section 3 shall not exceed \$30,000,000;

(3) any requirement that the obligation be approved for mortgage insurance prior to the beginning of construction or that the construction be new construction;

(4) any of the provisions of the first sentence of section 207 (c) or section 603 (b) (2) or section 603 (b) (5) or paragraphs (B) and (C) of the first sentence of section 608 (b) (3):

Provided, That such mortgage shall otherwise be eligible for insurance under section 207 or section 603 or section 608, as the case may be, and involve a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Commissioner shall approve) in an amount not exceeding 90 percent of the appraised value of the mortgage property as determined by the Commissioner: *And provided further*, That any such mortgage insured under section 603 shall bear interest (exclusive of premium charges) at not to exceed 5 percent per annum on the amount of the principal obligation outstanding at any time.

On page 11, line 5, after the word "reserved", to insert "(in whole or in part)".

On the same page, after line 10, to insert new section 6, as follows:

SEC. 6. Any executive department or agency of the Federal Government is hereby authorized to sell, transfer, and convey to the Alaska Housing Authority at fair value (as determined by such department or agency), for use under this act, all or any right, title, and interest in any real or personal property under the jurisdiction of such department or agency which it determines to be in excess of its own requirements, notwithstanding any limitations or requirements of law with respect to the use or disposition of such property: *Provided*, That the authority conferred by this section shall be in addition to and not in derogation of any other powers and authorities of such department or agency.

S. 900

IN THE SENATE OF THE UNITED STATES

APRIL 11, 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 900)
to amend the Commodity Credit Corporation Charter Act,
the Strategic and Critical Materials Stock Piling Act, and
for other purposes, viz:

- 1 On page 2, line 11, strike out "cotton or tobacco" and
- 2 insert in lieu thereof "cotton, tobacco, or goods of a type
- 3 customarily stored in public warehouses providing either dry
- 4 or cold storage for goods generally".

AMENDMENT

Intended to be proposed by Mr. BUTLER to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

APRIL 11, 1949

Ordered to lie on the table and to be printed

81ST CONGRESS
1ST SESSION

S. 900

IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, viz:

1 On page 2, line 15, after the word "corporation" strike
2 out the period and quotation marks and add the following:
3 "and, notwithstanding any other provision of law, the Com-
4 modity Credit Corporation is authorized, upon terms and
5 conditions prescribed or approved by the Secretary of Agri-
6 culture, to accept strategic and critical materials produced
7 abroad in exchange for agricultural commodities acquired
8 by the Corporation. In effecting such exchange of goods,
9 normal commercial trade channels shall be utilized insofar
10 as practicable and priority shall be given to commodities

1 easily storable and those which serve as prime incentive
2 goods to stimulate production of critical and strategic ma-
3 terials. The determination of the quantities and qualities
4 of such materials which are desirable for stock piling shall
5 be made in the manner prescribed by section 2 of the
6 Strategic and Critical Materials Stock Piling Act (60 Stat.
7 596). Strategic and critical materials acquired by Com-
8 modity Credit Corporation in exchange for agricultural
9 commodities shall be transferred to the stock pile provided
10 for by the Strategic and Critical Materials Stock Piling Act,
11 supra; and when transferred to the stock pile the Commodity
12 Credit Corporation shall be reimbursed for the strategic and
13 critical materials so transferred to the stock pile from the
14 funds made available for the purpose of the Strategic and
15 Critical Materials Stock Piling Act, in an amount equal
16 to the fair market value, as determined by the Secretary
17 of the Treasury, of the material transferred to the stock
18 pile." "

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

APRIL 18 (legislative day, APRIL 11), 1949

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S. 900

IN THE SENATE OF THE UNITED STATES

APRIL 18 (legislative day, APRIL 11), 1949
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AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 900)
to amend the Commodity Credit Corporation Charter Act,
the Strategic and Critical Materials Stock Piling Act, and for
other purposes, viz:

1 On page 2, line 15, strike out the period and quotation
2 marks after the word "Corporation" and insert a colon and
3 add the following: "*Provided*, That the authority contained
4 in this subsection (h) shall not be utilized by the Corpora-
5 tion for the purpose of acquiring real property, or any
6 interest therein, in order to provide storage facilities for any
7 commodity unless the Corporation determines that existing
8 privately owned storage facilities for such commodity in
9 the area concerned are not adequate: *And provided further*,
10 That nothing contained in this subsection (h) shall limit

AMENDMENT

Intended to be proposed by Mr. ANDERSON to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

APRIL 18 (legislative day, APRIL 11), 1949

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1 the duty of the Corporation, to the maximum extent prac-
2 ticable consistent with the fulfillment of the Corporation's
3 purposes and the effective and efficient conduct of its busi-
4 ness, to utilize the usual and customary channels, facilities,
5 and arrangements of trade and commerce in the warehousing
6 of commodities." "

S. 900

IN THE SENATE OF THE UNITED STATES

APRIL 20 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself and Mr. SALTONSTALL) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, viz: On page 2, beginning with line 1, strike out all down to and including line 15 and insert in lieu thereof the following:

- 1 SEC. 2. Section 4 (h) of the said Commodity Credit
- 2 Corporation Charter Act is amended by deleting the second
- 3 sentence thereof and inserting in its place the following:
- 4 "The Corporation shall have power to acquire personal prop-
- 5 erty necessary to the conduct of its business but shall not
- 6 have power to acquire real property or any interest therein
- 7 except that it may (a) rent or lease office space necessary
- 8 for the conduct of its business and (b) acquire real property

1 or any interest therein for the purpose of providing storage
2 (other than storage for cotton or tobacco) adequate to carry
3 out effectively and efficiently any of the Corporation's pro-
4 grams, or of securing or discharging obligations owing to
5 the Corporation, or of otherwise protecting the financial
6 interests of the Corporation: *Provided*, That the authority
7 contained in this subsection (h) shall not be utilized by the
8 Corporation for the purpose of acquiring real property, or
9 any interest therein, in order to provide storage facilities for
10 any commodity unless the Corporation determines that exist-
11 ing privately owned storage facilities for such commodity
12 in the area concerned are not adequate: *And provided*
13 *further*, That nothing contained in this subsection (h) shall
14 limit the duty of the Corporation, to the maximum extent
15 practicable consistent with the fulfillment of the Corpora-
16 tion's purposes and the effective and efficient conduct of its
17 business, to utilize the usual and customary channels, facili-
18 ties, and arrangements of trade and commerce in the
19 warehousing of commodities.

AMENDMENT

Intended to be proposed by Mr. WILLIAMS (for himself and Mr. SATRONSTALL) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

APRIL 20 (legislative day, APRIL 11), 1949

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steel mills, the power industry, the banks, and the farming industry are nationalized.

While the Social Security Administrator has been talking about compulsory health insurance that would cost unknown billions in taxes, doctors, insurance men, and the American people have been acting.

One of the most remarkable developments in our economic history has been the rapid growth of voluntary medical and hospital insurance during the past 25 years, and especially in the past 5 years.

Fifty-two million people are paying premiums on some 80,000,000 insurance policies. Solving their problems in the free, American way, they are budgeting the costs of illness according to their individual needs and their own judgment of how much they want to pay.

The spectacular growth of voluntary health and hospital insurance proves that the American people like this way of doing things.

It shows that we have right now a popular method of cushioning the economic burden of sickness without resorting to force, compulsion, and regimentation.

(By Senator JAMES E. MURRAY, Democrat, of Montana)

WASHINGTON, April 6.—There is scarcely an individual or a family in this country so well off that it need not fear the costs of unexpected illness.

Millions of otherwise self-supporting and self-respecting Americans know that should illness strike, medical and hospital bills could run into thousands of dollars and their only recourse would be the loan shark or public charity.

Even worse than this, perhaps, is the fact that through fear of the costs of modern medical care, our people do not take advantage of preventive medicine; instead of calling on the doctor early enough for him to keep us well we are forced to put it off until the ailment is serious and its treatment expensive.

To put it briefly, modern American medical care is among the best in the world but most Americans can't afford it.

Yet this need not be. Long ago we Americans discovered that problems which no family could solve independently could easily be solved when we acted together. We can make the best of medical care available to all our people, in a self-respecting way and at a price we can afford. We can do it through national health insurance.

We have done it: ready for three of the four big worries that used to afflict our families. The fear of what would happen if the breadwinner were injured at work is no longer with us, nor is the abject fear of unemployment or penniless old age.

We got together and passed workmen's compensation laws, unemployment insurance laws, and old-age insurance laws. Each time we were told it couldn't or shouldn't be done. We were told it was un-American, foreign, ruinous. But we weren't frightened by these labels hurled about by selfish, self-seeking individuals. We went ahead and together insured ourselves against three of the great threats to American family life, and in each case, it worked.

Now we can and must remove the fourth threat, the threat of the costs of illness. National health insurance can do the job.

What is national health insurance? A simple plan whereby everyone would contribute a small amount each week, in proportion to his income, into a national health insurance fund. In return he would know that his doctor and hospital bills would be paid from that fund. Instead of being called on for large amounts when ill, we would pay small amounts regularly when well.

How would it work? Under my (the administration) bill, the employed person

would pay 1½ percent of his salary—\$30 a year if he earned \$2,000; \$45 a year if he earned \$3,000, never more than \$54 no matter what his income. His employer would add a similar amount. These payments would cover the worker and his family. The Federal Government would add to this the difference between what our people can afford to pay and what it costs to give them necessary care. The Doctors decide the latter. We would then set up a health insurance fund for each local community in the land. The funds would be run and managed by your own local people.

Under our plan, you would go to your own doctor just as you do now. The bill guarantees your freedom to choose and change your doctor. Your doctor would treat you just as he thinks best. The bill guarantees him the right to join or not to join the program. It guarantees him political, economic, and professional freedom.

The main differences would be (1) that the bills would be sent to the insurance fund and not to you, and (2) that the doctor would be free to give you the best care you needed without having to ask whether or not you could afford it.

My bill does not change the practice of medicine, it merely changes the way we pay for it. In place of our present haphazard, unpredictable, and burdensome method, we would substitute the American way of insurance.

THE SITUATION IN CHINA

Mr. KNOWLAND. Mr. President, I ask unanimous consent to have printed in the body of the RECORD a letter written on March 14, 1949, by Secretary Acheson to the senior Senator from Texas [Mr. CONNALLY] relative to a bill introduced in the Senate by the Senator from Nevada [Mr. MCCARRAN].

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 14, 1949.

MY DEAR SENATOR CONNALLY: The following comments on S. 1063 are offered in response to your request as conveyed by Mr. O'Day, clerk of the Committee on Foreign Relations, in his letter of February 28, 1949. It is the Department's view that the bill proposes aid of a magnitude and character unwarranted by present circumstances in China.

Despite the present aid program authorized by the last Congress, together with the very substantial other aid extended by the United States to China since VJ-day, aggregating over \$2,000,000,000, the economic and military position of the Chinese Government has deteriorated to the point where the Chinese Communists hold almost all important areas of China from Manchuria to the Yangtze River and have the military capability of expanding their control to the populous areas of the Yangtze Valley and of eventually dominating south China. The national government does not have the military capability of maintaining a foothold in south China against a determined Communist advance. The Chinese Government forces have lost no battles during the past year because of lack of ammunition and equipment, while the Chinese Communists have captured the major portion of military supplies, exclusive of ammunition, furnished the Chinese Government by the United States since VJ-day. There is no evidence that the furnishing of additional military matériel would alter the pattern of current developments in China. There is, however, ample evidence that the Chinese people are weary of hostilities and that there is an overwhelming desire for peace at any price. To furnish solely military matériel and advice would only prolong hostilities and the suffering of the Chinese people and would arouse in them deep resent-

ment against the United States. Yet, to furnish the military means for bringing about a reversal of the present deterioration and for providing some prospect of successful military resistance would require the use of an unpredictably large American armed force in actual combat, a course of action which would represent direct United States involvement in China's fratricidal warfare and would be contrary to our traditional policy toward China and the interests of this country.

In these circumstances, the extension of as much as \$1,500,000,000 of credits to the Chinese Government, as proposed by the bill, would embark this Government on an undertaking the eventual cost of which would be unpredictable but of great magnitude, and the outcome of which would almost surely be catastrophic. The field supervision of United States military aid, the pledging of revenue of major Chinese ports in payment of United States aid, United States administration and collection of Chinese customs in such ports, and United States participation in Chinese tax administration, all of which are called for by the bill, would without question be deeply resented by the Chinese people as an extreme infringement of China's sovereignty and would arouse distrust in the minds of the Chinese people with respect to the motives of the United States in extending aid. While the use of up to \$500,000,000 in support of the Chinese currency, as proposed in the bill, would undoubtedly ease temporarily the fiscal problem of the Chinese Government, stabilization of the Chinese currency cannot be considered feasible so long as the government's monetary outlays exceed its income by a large margin. After the first \$500,000,000 had been expended the United States would find it necessary to continue provision of funds to cover the Chinese Government's budgetary deficit if the inflationary spiral were not to be resumed. That China could be expected to repay United States financial, economic, and military aid of the magnitude proposed, which the bill indicates should all be on a credit basis, cannot be supported by realistic estimates of China's future ability to service foreign debts even under conditions of peace and economic stability.

The United States has in the past sought to encourage the Chinese Government to initiate those vital measures necessary to provide a basis for economic improvement and political stability. It has recognized that in the absence of a Chinese Government capable of initiating such measures and winning popular support, United States aid of great magnitude would be dissipated and United States attempts to guide the operations of the Chinese Government would be ineffective and probably lead to direct involvement in China's fratricidal warfare. General Marshall reflected these considerations when he stated in February 1948 that an attempt to underwrite the Chinese economy and the Chinese Government's military effort represented a burden on the United States economy and a military responsibility which he could not recommend as a course of action for this Government.

Despite the above observations, it would be undesirable for the United States precipitously to cease aid to areas under the control of the Chinese Government which it continues to recognize. Future developments in China, including the outcome of political negotiations now being undertaken, are uncertain. Consideration is being given, therefore, to a request for congressional action to extend the authority of the China Aid Act of 1948 to permit commitment of unobligated appropriations for a limited period beyond April 2, 1949, the present expiration date of the act. If during such a period, the situation in China clarifies itself sufficiently, further recommendations might be made.

Because of the urgency of the matter this letter has not been cleared by the Bureau of the Budget, to which copies are being sent.

Sincerely yours,

DEAN ACHESON.

Mr. KNOWLAND. Mr. President, I also ask to have printed a press dispatch out of Tokyo today, by the United Press, which reads as follows:

TOKYO.—Gen. Douglas MacArthur is watching developments in China closely and feels the ultimate outcome of renewed fighting there will be of great importance to the United States, the United Press learned today.

Sources close to MacArthur said the supreme commander feels the China problem is one of such magnitude that it merits consideration by American officials in the formulation of a basic global policy. He also feels some American quarters have tended to underrate China's needs and her importance.

MacArthur has come to believe that a break in the frontiers of freedom here could result in a flood that might engulf other areas before it is finally halted.

MacArthur also believes too much emphasis has been placed on Europe, while an equally explosive situation exists in this part of the world.

According to a reliable source, MacArthur holds the following convictions about China:

1. China is of strategic importance to the United States.

2. When properly considered, China can be seen as holding a potential benefit to the United States by contributing to the stability and advancement of a future American standard of life.

3. The United States should not fail to recognize the long and friendly relationship it has enjoyed with China.

Following that I should like to have printed an article entitled "Thunder in the East," by the well-known foreign correspondent William Philip Simms, regarding the present situation in China and the Far East, together with an editorial entitled "We Need Light on China," from the Washington News of this evening.

There being no objection, the matters were ordered to be printed in the RECORD, as follows:

THUNDER IN THE EAST

(By William Philip Simms)

The extreme gravity of the far eastern situation is beginning to percolate through officialdom here.

The first phase of the Red conquest of Asia is now over. Manchuria, the north half of Korea and all China down to the Yangtze are in Communist hands.

The next will be the advance on South China, Indo-China, Indonesia, the Philippines, Siam, Malaya, and Burma. Then the squeeze will be put on India. Somewhere along the line, Iran and the Near East may get another dose of Red pressure.

But the United States State Department is between the devil and the deep sea. Three years ago it allowed some of its leftists to get away with the fairy story that there were no Communists in China. The armies fighting against the central government were only farmers fighting for agrarian reform. The fact that their top leaders had been trained and indoctrinated in Moscow was dismissed as meaningless.

Nor did it seem to make any impression when, in 1945, the Russians turned over vast quantities of Jap munitions to the Chinese Reds.

Two months ago, I quoted the prediction of one of the best-posted Europeans in Wash-

ington—just back from China—that the Communist peace move would fail. He said it was merely a stall to gain time to consolidate on the north bank of the Yangtze. When the Communists were ready, he said, peace negotiations would collapse and they would cross the river both east and west of Nanking.

Even then, Washington officially pretended to take the peace negotiations seriously. Now what the European predicted has happened.

It is never easy for a government to admit it has blundered. But the longer Washington neglects to change its do-nothing policy the more difficult the move will be and the more dangerous the situations will have become.

The significance of the Communist push is not altogether lost here. The West's line of defense fronting on Asia runs from the Aleutians through Japan, south Korea, Shanghai, the Philippines, Hong Kong, Indo-China, the British and Dutch Indies, Singapore, Malaya, Siam, and Burma.

A breach anywhere in the line would be serious. Already it is gravely menaced in several places. Indochina is almost hopelessly undermined. Indonesia is undermined. If the Dutch—who wish to set up a self-governing commonwealth there—are prevented from doing so, the Communists will take over. Malaya, Burma, and Siam are all under Communist fire.

Prime Minister Nehru of India says that every mile the Reds advance south of the Yangtze increases his country's peril. India is also threatened from the direction of Afghanistan and Iran, and under the surface Egypt is seething with unrest. This vast area, holding more than half the population of the globe, is affected by events on the Yangtze.

One of Washington's blunders is its failure to recognize the global nature of the Russian front. Europe is the Red front's right, the Far East is its left and India its center. North America is on both flanks.

Former Ambassador Bedell Smith, since his return from Moscow, has recalled Soviet policy to otherwise forgetful minds. Both Lenin and Stalin have preached elasticity. Soviet communism must advance as far and as fast as circumstances will permit, but be ready to halt, or even retreat temporarily, when it finds the going tough.

Diplomats believe, therefore, that there might be a lull on Russia's western front as the battle in the Far East grows more intense. When its objectives out there are reached, or the Atlantic Pact powers go back to sleep, the attack in the west can be resumed.

WE NEED LIGHT ON CHINA

If the Truman administration has nothing to conceal about its part in the Chinese situation, it can prove good faith by agreeing to Senator WILLIAM F. KNOWLAND's resolution asking for a full-dress congressional review of our China policy.

The United States has a vital interest in a free and independent China. If China goes behind the iron curtain, communism will stand on the borders of India, Burma, and Indochina. Japan will be cut off from the Asiatic mainland. Anything we can do to save this situation should be done.

The State Department's policy has been a dismal failure. It should welcome a congressional review that might point the way out of our present dilemma. A bipartisan foreign policy must be that in fact as well as in name. But, where we have had an open, bipartisan policy for Europe, Asiatic decisions have been made behind closed doors, and carefully concealed from Congress and the people. That is the totalitarian, not the American, way.

AMENDMENT OF COMMODITY CREDIT CORPORATION AND STRATEGIC STOCK PILING ACTS

The Senate resumed the consideration of the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The VICE PRESIDENT. There are certain committee amendments to the pending bill, which will be considered first.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WHERRY. Am I correct in understanding that amendments to the committee amendments will be taken up as the committee amendments are considered in order?

The VICE PRESIDENT. The committee amendments will be taken up first and disposed of. Amendments to the committee amendments are in order. When they are disposed of, other amendments to the bill will be in order.

Mr. THOMAS of Oklahoma. Mr. President, the bill now before the Senate for consideration, Senate bill 900, is entitled "A bill to amend the Commodity Credit Corporation Charter Act, and for other purposes." A portion of the title has been stricken out by a committee amendment. I am sure that there will be no objection to the amendment of the title.

Hearings were held on the bill, and the committee reported the bill unanimously. It is very simple, embracing but two general provisions.

The first provision of the bill proposes to change the personnel of the Board of Directors of the Commodity Credit Corporation. Under the present law the Board consists of five members, the Secretary of Agriculture being ex officio a member of the Board. The other members are appointed by the President and confirmed by the Senate.

The present personnel includes two gentlemen who do not live in Washington. One of them resides in California and the other in Tennessee. So, when a Board meeting is called these members must come from their homes and serve on the Board, and then return to their homes, because there is not work enough for a full-time permanent job.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Am I to understand the Senator to say that two members of the Board do not live in Washington, one residing in California and the other in Tennessee?

Mr. THOMAS of Oklahoma. That is my understanding.

Mr. WILLIAMS. And they have to come here each month for the Board of Directors meeting?

Mr. THOMAS of Oklahoma. They come whenever any business is to be transacted which requires their presence.

Mr. WILLIAMS. Is it not a fact that the two gentlemen to whom the Senator refers, one of whom lives in California and the other in Tennessee, are now

drawing \$10,333 a year from the Government? The question is, Why are they not on the job all the time? Why is it that they come here only once a month?

Mr. THOMAS of Oklahoma. I cannot answer that question. I am sure that they are not connected with the Department of Agriculture, except in one particular, namely, that they are members of the Board of Directors of the Commodity Credit Corporation.

Mr. WILLIAMS. Is not that a \$5,000,000,000 corporation?

Mr. THOMAS of Oklahoma. Not quite.

Mr. WILLIAMS. Four and three-quarters billions, to be exact.

Mr. THOMAS of Oklahoma. The capital stock is \$100,000,000, and it has a borrowing capacity of \$4,750,000,000, making it almost a \$5,000,000,000 corporation.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Is not the administration of a \$5,000,000,000 corporation almost a full-time job for five men?

Mr. THOMAS of Oklahoma. Mr. President, that is a matter of opinion. It would seem that an organization so gigantic as this one should require the full-time services of the men to whom the Senator has referred, but this is a very peculiar organization. It was created by the Congress for one specific purpose, namely, to support the prices of farm commodities.

So the first part of the bill has to do with a proposed change of the personnel of the Board of Directors. Because the Secretary of Agriculture is the responsible head of that Department, and because he is charged with certain responsibilities, the Congress having authorized and directed him to do certain things, he is the one person upon whom we must depend to do the job as ordered by Congress.

For example, in the bill which was passed last year, on the last day of the first session of the Congress, we find the first two or three lines in the first section reading as follows:

SECTION 1. Notwithstanding any other provisions of law, the Secretary of Agriculture is authorized and directed—

And here follows what he is directed to do—

through any instrumentality or agency within or under the direction of the Department of Agriculture, by loans, purchases, or other operations—

To do certain things; and the main thing, of course, is to support prices.

Inasmuch as the Secretary of Agriculture is the one person upon whom the Congress, and the country, for that matter, depend for carrying out the directives of the Congress, it seems to me to be entirely proper that he be given power commensurate with his responsibility in that connection, which is to handle in toto the supervision and management of the Department of Agriculture.

In order to carry out that responsibility in what seems to be a proper way, the committee has made some recommendations for changes. The first change is that the new board is to consist of 6 persons to be appointed by the

Secretary. Of course, he himself, being the Secretary, will be ex officio chairman of the board.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. It is also provided that the board of 6 members shall be appointed by and shall serve at the pleasure of the Secretary of Agriculture. In other words, he will be able to remove them daily, if he sees fit to do so. Is not that correct?

Mr. THOMAS of Oklahoma. I assume that is a proper conclusion. If the Secretary of Agriculture is authorized and directed by the Congress to do certain things, then if he should make a mistake and should find on the board members who refused and failed to go along with his recommendations and directives, of course he should, or he must, see to it that the board was changed, or else the proper carrying out of his responsibilities would be interfered with.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Assuming that the Secretary of Agriculture—who, after all, is only a human being—should make a mistake in one of his decisions, and assuming that the Board of Directors would be correct in the position taken by them, does not the Senator think it would be a somewhat unhealthy situation for the Secretary of Agriculture then to be able to dismiss that Board of Directors and install a new Board of Directors?

Mr. THOMAS of Oklahoma. Of course, Mr. President, this matter involves a question of policy. If the viewpoint of some persons should be enacted into law—in short, the viewpoint that the Board should be independent—then the Board might not be in harmony with the Secretary, in which event his performance of his responsibilities would be interfered with; and in that case if he did not perform the duties imposed upon him by the Congress, he would be sadly lacking in efficiency.

The first section of the bill simply makes clear that the Secretary, whoever he may be, is to be held responsible. Today he is one person; tomorrow the Secretary may be some other person. Today the Secretary is of one political party; tomorrow another political party may have one of its members in this position. So in considering this matter, we must consider it without respect to personnel or without respect to party.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Under the pending bill, the Secretary of Agriculture would be solely responsible for the activities of the Corporation; would he not?

Mr. THOMAS of Oklahoma. Under the law he is given that responsibility; and of course the Congress will hold him to it. That being true, he should have the power to carry out the directives of the Congress and otherwise to assume and fulfill the responsibilities imposed upon him by the Congress.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. That is the same provision, is it not, as the one under which the agency operated prior to the passage of the last Commodity Credit Corporation Act by the last Congress?

Mr. THOMAS of Oklahoma. That is correct; and, so far as I know, there has been no complaint about the management of the Corporation prior to the past 2 years.

Mr. WILLIAMS. Mr. President, if the Senator will yield for a further question, the one to which I have been leading up, it is this: If the Secretary of Agriculture under the pending bill is to be solely responsible for the financial transactions of the Corporation, if a provision to that effect will constitute a reinstatement of the provision under which the Corporation operated prior to 1943, then does the Senator from Oklahoma mean to say that the Secretary of Agriculture who was in power during the period 1943–1945 is responsible for the \$366,000,000 which is unaccountable for in that Corporation? Is that the man whom Congress should hold responsible?

Mr. THOMAS of Oklahoma. Mr. President, we have heard much on the floor of the Senate with respect to considerable criticism of the Secretary for the management of the Corporation. At this point, and in answer to those criticisms, I ask unanimous consent to have printed in the RECORD a copy of a letter dated April 5, 1949, addressed to the Honorable BRENT SPENCE, chairman of the Committee on Banking and Currency of the House of Representatives, and signed by the Secretary, Charles F. Brannan.

The VICE PRESIDENT. Without objection—

Mr. WILLIAMS. Mr. President—

Mr. THOMAS of Oklahoma. Mr. President, this letter gives all the information that is available with respect to the charge which has been made in the public press and upon the floor of the Senate with respect to some alleged shortage or discrepancy in the funds or figures of the Commodity Credit Corporation.

Mr. WILLIAMS. Mr. President, reserving the right to object in regard to that request, I wonder whether the Senator from Oklahoma has an additional copy of the letter which I may see.

Mr. THOMAS of Oklahoma. No; I do not have an additional copy; but I shall be glad to have the copy I have just sent to the desk delivered to the Senator from Delaware, so as to let him consider it.

Mr. WILLIAMS. Then, I have no objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Oklahoma?

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 5, 1949.

HON. BRENT SPENCE,
Chairman, Committee on Banking and
Currency, House of Representatives.

DEAR MR. SPENCE: This refers to the \$366,000,000 of receivables on the books of the Commodity Credit Corporation as of June

30, 1945, discussed in the General Accounting Office audit report on the CCC recently submitted to the Congress and to which attention has been again recently directed by Senator Williams of Delaware.

These wartime operations were the subject of an extensive investigation by a House committee under the leadership of Judge Tarver. The then War Food Administrator Marvin Jones, laid all pertinent facts concerning these transactions before the committee. All questions of fraud or loss to the Government were fully explored and the committee fully satisfied that there was no evidence of either.

The liquidation of accounts to cover the \$366,000,000 of receivables has also been the subject of extended discussions and correspondence between the GAO and the CCC. These discussions culminated in a plan proposed by CCC to investigate in detail the transactions representing commercial sales to other than Lend-Lease or other Government agencies. It was determined that it would not be practical for the Corporation to expend the tremendous amount of effort and funds which would have been required to investigate purely Government transactions. These plans were formally presented to the GAO and the CCC received a letter dated April 10, 1947, which is stated in part as follows:

"As requested in your letter, we have reviewed the plan proposed by you with respect to your review of questionable items. It is noted that you propose to make no attempt to investigate transactions recorded in lend-lease receivable accounts prior to September 2, 1945 (VJ-day), and in receivable accounts with other agencies of the United States Government. In view of the very large volume of work and the administrative costs involved in such a review, we concur with the plan proposed by you to the extent that it can be demonstrated that there will be no over-all loss to the United States Government."

The criticism of the auditors stems from the Corporation having failed to furnish a detailed listing by individual debtors of the amounts due as of June 30, 1945, to the extent of \$366,000,000 of receivables. These receivables result from transactions in connection with the wartime supply program which in total amounted to approximately \$8,000,000,000, of which approximately \$6,800,000,000 was represented by lend-lease transactions.

We proceeded on the assumption that concurrence had been received in our plan of operations several years back and have made no further effort to reconcile these accounts. The basic documents are still available for such reconciliation if it is now determined that this should be accomplished. However, we fail to appreciate in what way the public interest would be served in a manner commensurate with the expenditure of effort and funds that would be involved.

On December 26, 1947, the CCC submitted to the GAO a final report on the liquidation of the program as of June 30, 1947, and full detail in support of the balance in the receivable account as of June 30, 1947, was made available to the auditors. The GCP program was liquidated at a net gain to the Corporation.

As you will observe from the attached letter of even date to Mr. Lindsay Warren, the Comptroller General, we are again offering to reconcile these accounts although I say to you frankly that I can think of no public objective or interest to be served by so doing which would remotely warrant the expenditure of such a large sum of money.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. THOMAS of Oklahoma. Mr. President, the change in the personnel of the Board of Directors of the Com-

modity Credit Corporation is the first change proposed by this bill.

At the present time, the directors are required to be appointed by the President and confirmed by the Senate. Under the change proposed in this bill, the Secretary will make the appointments, and the directors thus appointed will serve no doubt at his pleasure and at his will, for the reason that he is the one who is charged with the responsibility, but, of course, he cannot do all the work himself, and must have assistants and associates, who should be of his choosing, because he is the one who, in the final analysis, acts. When the Board acts, he acts; and he should have a Board that will carry out his will.

Mr. FREAR. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. FREAR. Do I correctly understand the Senator from Oklahoma to say that the Secretary is charged solely with the administration of this act? If that is so, then why is it necessary to have a board of directors?

Mr. THOMAS of Oklahoma. Mr. President, carrying out the directives of Congress in respect to 40 classes of agricultural commodities is a gigantic task. It is one which could not properly be performed by one or two persons. In the Department of Agriculture there are thousands of employees who are needed to carry on the work as directed by the Congress.

So, as this corporation furnishes the money with which to support commodity prices, there must be a competent organization, first to get the money from whatever source it can be secured, and then to make it available upon the orders of the Secretary, who, after all, must pass upon every move of his Department. So it is necessary to have efficient and competent men in the various positions, serving in the Department of Agriculture.

Mr. FREAR. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. FREAR. I believe I understand that part of the Senator's statement; but if the Secretary is directly responsible for the administration of this act, then I fail to see where the Board of Directors have any direct bearing.

Mr. WILLIAMS. Mr. President, will the Senator yield at this point?

Mr. THOMAS of Oklahoma. Of course, Mr. President, the Board of Directors must perform the services and duties as directed by the Secretary. There must be a head of every organization, and the Secretary is the head. He is the one whom Congress directs. Let us take any compilation of laws authorized by the Congress. Here is a publication entitled "Farm Relief and Agricultural Adjustment Act." Turning through the book, on almost every page there will be found some law enacted by the Congress, and invariably the law authorizes and directs the Secretary to do certain things. It does not direct a person under him to do certain things, but he is authorized and directed to do it himself. That being true, he must have facilities for carrying out the directives. The directives are so numerous and involve so many activities that, of course,

it requires a large personnel to enable the Secretary to function as the Congress may from time to time direct.

Mr. FREAR. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. FREAR. I think I understand what the Senator said, but I still fail to realize why it is necessary to have a board of directors, if the Secretary of Agriculture is duty bound as a responsible agent to carry out the provisions of the act.

Mr. ANDERSON rose.

Mr. THOMAS of Oklahoma. I am sure the Senator would not expect the Secretary to do all the work of the Agricultural Department.

Mr. FREAR. No, I do not. But what good is a board of directors, unless they have some responsibility and can give the Secretary advice? The Senator has just stated the Secretary probably needs assistance and advice.

Mr. THOMAS of Oklahoma. They can give the Secretary advice. When the advice is given the Secretary passes on it and comes to a conclusion. He then issues a directive. I should be very glad to yield at this time to the former Secretary of Agriculture, who is the one person who has developed this organization and made it what it is today. If I may, I yield to the Senator from New Mexico.

Mr. FREAR. Mr. President, may I inquire whether it is for the purpose of replying to my question?

Mr. ANDERSON. I hope it may be.

Mr. THOMAS of Oklahoma. I should be very glad to have the Senator from New Mexico answer the Senator's question, because he is much more competent to do it than anyone else that I know.

The VICE PRESIDENT. The Senator from Oklahoma asks unanimous consent that he may yield to the Senator from New Mexico to answer the question. Is there objection? The Chair hears none.

Mr. ANDERSON. I thank the Chair. I should like to say that any board of directors selected carefully from the 68,000 to 80,000 employees of the Department of Agriculture cannot help but be useful to the Secretary of Agriculture in administering the affairs of the Commodity Credit Corporation. There was recently published a statement to the effect that no one Secretary of Agriculture could possibly keep in his mind the various ramifications of the Department. Therefore, when the Secretary selects a board of directors from within the organization, he brings in one expert on tobacco, he brings in one expert on the handling of grain, he brings in one transportation expert, he brings in his counsel, he brings in generally persons who are familiar with the handling and storage of cotton. When a problem is presented to the Board, the Secretary has the assistance of those persons, who are career employees today, and who have a background of long experience with the Department in handling such problems. This action is taken upon the suggestions which are before the Board.

If I may cite an experience, we struggled for a long time with a tobacco program, trying to export tobacco to Spain. We had to bring in, very naturally, "Charlie" Gage, who was head of

the Tobacco Branch, and who was on the Board of Directors of the Commodity Credit Corporation, one of the wisest and most efficient men I have ever known. His advice was invaluable. No single Secretary of Agriculture could possibly have had the experience in tobacco which that man possesses. But along with him we had to have a transportation expert. Therefore, there sat on the Board persons who were familiar with all types of agricultural commodities.

The provision in the bill merely means that the Secretary can group together in the shortest possible time the men who are familiar with the programs, who have been handling these matters, who are career employees of the Department, who are there year after year, through one administration and the next, and who know how to handle the various programs the Secretary is charged with the responsibility of administering.

I recognize that the responsibility must be lodged in some one man, and therefore whenever the Board of Directors of the Commodity Credit Corporation has finished with a docket, the docket goes back to the Secretary, and he must again approve it before it becomes effective. That places final responsibility upon him. Perhaps we could cite the case of the Ford Motor Co., which was individually owned. Certainly Henry Ford and his family could have run it as they wished, but they still used a board of directors, in order to have the advice of good business brains. That is done in the Commodity Credit Corporation, and it is very essential that it be done that way.

I may say further that the Board of Directors was not subservient to the Secretary during the time that I was administering programs there. Several times the Board of Directors outvoted me, and I was happy to think that they were vigorous and open in their opposition to something that they thought was wrong, based upon long experience in the Department, which I had not had.

Mr. FREAR. Mr. President, to whom may I address a question pertaining to this subject, the Senator from Oklahoma or the Senator from New Mexico?

The VICE PRESIDENT. The Senator may have a choice.

Mr. THOMAS of Oklahoma. I shall be glad to yield for the Senator from Delaware to interrogate the Senator from New Mexico.

The VICE PRESIDENT. Without objection, the Senator from Delaware may interrogate the Senator from New Mexico.

Mr. FREAR. I thank the Chair. Addressing my question to the Senator from New Mexico, I should like to inquire as to line 18, on page 2, which reads as follows:

SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a Board of Directors * * * subject to the general supervision and direction of the Secretary.

How does the Senator interpret that provision?

Mr. ANDERSON. I think it means that in the handling of the routine affairs of the Corporation, the implementation of the program shall be in the

Board of Directors. But I have said to the Senator that because of the character of the law which places responsibility finally upon the Secretary, he cannot avoid eventually passing upon everything the Board of Directors does.

Mr. FREAR. But does it give power to the Board of Directors to disagree with the Secretary? If so, what would happen?

Mr. ANDERSON. It not only gives the Board power to disagree, but it imposes on them the obligation to express their opinions. I can only cite an example as to what happened. The Board of Directors of the Corporation decided at one time to continue carrying war-risk insurance on sugar being brought from Cuba to the United States. That was in 1946 or 1947. The then Secretary of Agriculture was in the insurance business. I thought it a very poor policy to carry, and I overrode the action of the Board of Directors and decided that we would get along without that insurance, and thereby save \$150,000 or \$200,000. As members of the Board, they thought the prudent thing to do was to carry insurance, because a bomb or a mine might destroy a cargo of sugar. They thought their responsibility, probably to save criticism, was to make sure the shipments were amply covered. I felt it was unwise to do so. They disagreed. As was to be expected, when the final responsibility is on one person, he must assume the responsibility. If I had been wrong, I would have had to pay for it.

Mr. FREAR. Am I to understand from the statement of the Senator from New Mexico that the Secretary's position now is the same under the proposed legislation as it was when the Senator from New Mexico was Secretary of Agriculture?

Mr. ANDERSON. Yes. But I may say to the distinguished Senator that if I had had my way about it, the Congress would not have made the change. I think it is necessary to change it back now. I think it is extremely unfortunate, if there is an individual charged with the responsibility, open to criticism if he fails to carry things out, to have it then said to him, "But we will take away your authority to carry out the program."

Mr. FREAR. I thank the Senator from New Mexico.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. I understood the Senator from New Mexico to make the statement to my colleague from Delaware that the Advisory Board and the Board of Directors have some power. I should like to have the Senator from Oklahoma or some other Senator point out to me where, in the pending bill, either the Advisory Board or the Board of Directors has any power whatever to carry out a policy, when in so doing it overrides the decision of the Secretary of Agriculture. I wish some Senator would point out to me where, in the bill, there is any such provision.

Mr. THOMAS of Oklahoma. I can give my viewpoint on the matter. The law provides that the Secretary shall have the responsibility, that his word is

the last word; and the law further provides, as I interpret it, that when the Secretary comes to a conclusion, if the Board should be in disagreement, his conclusion is announced as the action of the Board. In other words, he is the Board, and he uses the personnel of the Board to give him advice, exactly as the President uses his Cabinet. The President of the United States cannot do all the work imposed on him by the Congress, so Congress has provided for an elaborate system of assistants in the form of Cabinet members and their bureaus. The President is charged with certain responsibilities, and he has a great number of persons to advise him, so that when he acts he can have the best advice that can be procured. But, after all, he is the one who does the acting, and the act of anyone in his department is the act of the President, because he is responsible as the Chief Executive. I contend that on a smaller scale the Secretary of Agriculture is the chief executive of the Department of Agriculture, and, in the last analysis, his word is the law until overturned by the courts or by the Congress.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I should like to ask the Senator a question or two along this line. I observe that in Public Law 806, which is the existing law, the Corporation is to be within the Department of Agriculture, but subject to the general direction and control of its Board of Directors. The amendment proposes to strike out "direction and control of its Board of Directors" and make it subject to the general supervision and direction of the Secretary of Agriculture. I should like to ask the Senator, first, if there is any other Government corporation of which he knows in which there is a board of directors, but in which the general supervision and direction is vested in one individual who is superior to and has power greater than that of the board of directors?

Mr. THOMAS of Oklahoma. It is my interpretation that the heads of the different boards, in practice, control the boards. That may not be the case in every instance, but in this particular case, under present law, while the Board of Directors, as mentioned in the law, is under the supervision and direction of the Secretary, its members are, no doubt, recommended by the Secretary, in the first instance. So it is presumed that the members will help the Secretary. But when it comes to action, he will make the decision, and the members of the Board will assist in carrying out his decisions, so that the Secretary, under the present law, is, in fact, the Board.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. It struck me as a very curious arrangement under which the Corporation is a board, which board, with all its powers of general direction and control, shall now suddenly change its whole scheme, so that it no longer is a board, but one individual has control over it, thus making it, as I see it, a mere

figurehead. Indeed, to adopt the thought of the Senator from Delaware, if the board should decide on a particular course of conduct and the Secretary of Agriculture should decide against it, all he would have to do would be to discharge the board from its official connection with the Government, and out it would go, because, under the terms of the bill, the members are appointed by the Secretary and hold office at his pleasure.

There may be some reason for that; but is there any other Government corporation, of which the Senator knows, in which, with an existing board of directors, there is one superior individual who has power over and above the board of directors of the corporation? I should like to know whether there is any such corporation.

Mr. THOMAS of Oklahoma. I do not want to interpret the powers, the duties, and the responsibilities of all governmental boards, but from my viewpoint, where boards have the same power as is given to this board, the chairman is, in effect the board. That is about the result, especially in this particular case. I do not care what kind of board is appointed, or who appoints the members, it must do what the Secretary asks it to do, or else his responsibility is interfered with. He is the one to whom Congress has given the directive and authority.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. THOMAS of Oklahoma. I shall be very glad to yield to the Senator from New Mexico in order that he may answer the Senator's question.

Mr. DONNELL. I should be very glad to have the Senator from New Mexico answer, but I should like to ask the Senator this question: As I see it, in Public Law 806—the existing law—it is distinctly stated that the management of the Corporation shall be vested in a board of directors, that the Secretary of Agriculture is a member of the Board, and that the remaining members are appointed by the President, by and with the advice and consent of the Senate. Then along comes this bill, and, while it preserves the corporate organization, to my mind it is pure fiction, because under the bill, while there is an ostensible board of directors, the Board has no ultimate power. The direction and control of the Corporation are taken out of its hands and vested in one person. The Board sits there as a mere tool, and if it does not operate in the way in which the Secretary thinks it should, it can be discharged at his pleasure.

The question I wish to ask the Senator is this: Recognizing that there is an entire reversal of the process under existing law and under the amendment as proposed by the bill, does the Senator think it is advisable that there should be vested in one person the power over a nominal, fictional Board of Directors with more ostensible power, or would it be better, in so many words, to cast aside this fictional corporate existence and make the Secretary of Agriculture the man who has power, direction, and control in carrying on the activities otherwise to be carried on by the Corporation?

Mr. THOMAS of Oklahoma. If the

correct interpretation is not given to the act, then Congress is at fault. The Commodity Credit Corporation has for its purpose the support of prices. The Congress has directed the Secretary of Agriculture to support prices. Suppose the Board should refuse to go along with supporting prices. Then there would be a conflict between the Board and the Secretary, and conflict between the Secretary and the Congress. That is only one power. The second power is to provide facilities for supporting prices. Then there is a third power, to procure agricultural commodities for other agencies. The Commodity Credit Corporation, under the supervision of the Secretary, is the agency which oftentimes buys for the Army, Navy, Air Corps, in times past for UNRRA, and now for ECA. Suppose the Board should say, "We do not agree with this policy." The Secretary is authorized and directed to do it, so he must have the power to do it, or else our theory is wrong.

Mr. DONNELL. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. In a moment. The Board has the power to take care of surpluses. Suppose the Board should say, "We do not agree with Congress or with the Secretary. We refuse to take care of surpluses." It is the theory of the bill, as I understand, and of the whole scheme of the Department of Agriculture, for Congress to make the broad policy, to authorize and direct the Secretary to carry out that policy, and then he must carry it out through such agencies as he may select. In this particular case, because of the vast expense of financial transactions, approximating \$5,000,000,000, it was thought proper, and I myself think it is proper, for him to create a Board. He has recommended that the Commodity Credit Corporation be used in carrying out the law.

Another policy which we have directed the Secretary to carry out through this Board is with respect to exports and imports of certain commodities. He has many other duties to perform through the agency of the Commodity Credit Corporation. I contend that the Commodity Credit Corporation is nothing more nor less, in effect, than a group of his selected officers to do the thing which he directs them to do. That is my impression.

Mr. DONNELL. Mr. President, will the Senator yield at that point?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I can well understand the philosophy of the Senator, and he may be entirely correct, namely, that the responsibility is on the shoulders of the Secretary. Perhaps he should have these powers. I am not certain about that, but I can see the point of the argument. But the question I wish to address to the Senator is this: Is it desirable to adopt a pure fiction in which a board of directors sits without any power whatsoever, subject to directions from the Secretary of Agriculture, in order to carry out the plan? Would it not be much more frank, honest, exact, and actual if the statute should be so amended that the Secretary of Agriculture, on the one hand, would have the respon-

sibility, and, on the other hand, would have the power, rather than to have some fiction interposed between them, resulting, perhaps, in a separation of responsibility, so that the Secretary of Agriculture, if he deemed it advisable, might say, "I acted on the advice of the board of directors"? On the other hand, the board of directors might say, "We are mere figureheads and we had to do what the Secretary of Agriculture said."

Let me say one thing more as a further portion of the question. I appreciate it is a lengthy question, but I think the Senator sees the point at which I am driving.

I observe in section 9 of the act as it now stands that not only is the Board appointed by the President—not by the Secretary of Agriculture, as is provided in the amendment to the law—but, in addition to that, the power of removal, under the existing law, is vested in the President of the United States, and not in the Secretary of Agriculture.

It seems to me—and I ask the Senator if he does not think so—that the existing law is much more frank and honest to the public, and much more likely to result in better management, even though there has been mismanagement in the past, than is the fiction of a corporation set-up which ostensibly has powers which it does not have at all? Is it not dishonest, is it not untrue, and is it not fictional to create such an agency as the Commodity Credit Corporation as a pretended corporation, whereas the ultimate power is actually in the hands of one man?

Mr. THOMAS of Oklahoma. Let me give my interpretation, then I shall yield, if I may, to the former Secretary of Agriculture, now our distinguished colleague from New Mexico.

I contend that there may be a difference between the present law and the proposed amendment, but there is no difference in the facts. It is my belief that no man has been appointed on this Board except upon the recommendation of the Secretary of Agriculture. I do not care who makes the appointment, whether the President or the Secretary; the men are selected by the Secretary. Then, if they be appointed by the President, it is only at the recommendation of the Secretary. So in fact a member of the Board is appointed by the Secretary, using the President as an agency to announce his appointment.

Mr. DONNELL. It does not so state in the statute, does it?

Mr. THOMAS of Oklahoma. I am giving the Senator my interpretation of the statute.

Mr. DONNELL. The statute says the "remaining members" of the Board, that is, in addition to the Secretary of Agriculture, who of course is appointed by the President, "shall be appointed by the President by and with the advice and consent of the Senate." That is all it says.

Mr. THOMAS of Oklahoma. Let me give the Senator my interpretation. If the Secretary recommends that the President appoint A on the Board, and A for some reason may not function

properly. He may not develop as the Secretary perhaps hoped he would develop. Instead of going along with what the Secretary wants to do, he has an idea of his own, and he wants to go along on his own idea, so he cannot cooperate with the Secretary, and refuses to cooperate with him. The fact that the President has appointed him would only make it necessary for the Secretary to go to the President and say, "Mr. President, Mr. A, who we thought was all right and would go along with our program, is not doing it. I cannot get along with him. We must get someone to take his place." The President, having made the appointment in the first instance, on the recommendation of the Secretary, I feel certain would find means of replacing the appointee, or the member of the Board, by someone more cooperative. In the last analysis the result is exactly the same.

Mr. DONNELL. Will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I can fully appreciate the point the Senator makes, that if the responsibility is on the shoulders of the Secretary he should have the power. I can see that point, and it may be entirely well taken. But the point to which I have called the Senator's attention, and as to which I ask him again, is this: Does not the Senator think that if that is to be the philosophy of the law, namely, that the responsibility being on the shoulders of the Secretary he should have the power, it would be much more frank and honest, and more conducive to good management, if the law were to say that, since the Secretary has the responsibility, he has the power? Give him an advisory board, if that is desired, but do not create this fiction of a corporation, with a series of directors who are nothing more nor less than dummies of the Secretary of Agriculture, subject to immediate discharge the moment they do not agree with his position.

Mr. THOMAS of Oklahoma. I agree with the Senator exactly, and that is the exact thing the bill proposes to do. It proposes to simplify this matter by giving the Secretary the power to name his own board, and so long as they work with him as he thinks they should, they will remain on the board, but any time they refuse to cooperate he has the power, under the bill, to get rid of them. So the bill is doing the exact thing the Senator says should be done.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I do not seem to have made my point at all clear. My point is that the bill does not accomplish the result to which the Senator refers. It may give the power to the Secretary, and I have no particular quarrel with that, but I say that the bill by the amendment creates this condition, namely, that there is an ostensible corporation, with an ostensible and fictional board of directors, which has some power, ostensibly, but not actually, and the members of which are subject to immediate discharge by the Secretary of Agriculture.

The question I again ask the Senator is, Does he not think it would be more frank, more honest, and more conducive to good business practice to abolish this corporation and to place the power, on the one hand, on the shoulders of the Secretary, and, on the other hand, to repose in him the power of carrying out the policies which the responsibility entails?

Mr. THOMAS of Oklahoma. Mr. President, I shall yield to the Senator from New Mexico in a moment. It is my contention that the bill if enacted into law will do the exact thing for which the Senator from Missouri is arguing.

I am glad now to yield, if I may, to my colleague, the Senator from New Mexico.

Mr. ANDERSON. Mr. President, I think the Senator from Missouri has not read recently the section creating the board of directors, or he would have discovered that three of the five are from the Department of Agriculture, whom he chooses to characterize as dummies. I say to him they are not dummies, but they are representatives of the Department of Agriculture.

Mr. DONNELL. If the Senator will pardon me, I am not clear as to whether he is talking about the existing law or the proposed amendment to the law.

Mr. ANDERSON. I am talking about the existing law. If the Senator will read down the page, he will see that Federal Government employees "shall not comprise, in the aggregate, more than three of the members of the Board." At the present time three of the five members of the Board are employees of the Department of Agriculture, and the only thing the pending proposal does is to make all the members of the Board employees of the Department of Agriculture. A majority now are drawn from the Department of Agriculture.

I remind the distinguished Senator that the very thing he has been discussing was the principle under which the Commodity Credit Corporation was organized, and under which it operated for many years. Certainly there has not been protest over the fact that it was so organized.

The very first act creating the Commodity Credit Corporation, on which Members of the Senate and of the House agreed, was that it should be under the full jurisdiction and direction of the Secretary of Agriculture. He is charged with the support of prices. If divided responsibility is desired, Congress could set up a separate organization charged with the support of prices.

I should like to call attention to the fact that in the debate last year, about June 18—and I could give the exact page of the CONGRESSIONAL RECORD—the then chairman of the House Committee on Agriculture, one of the finest men who has ever served in the Congress, in my opinion, and one of the greatest authorities on agriculture, the Honorable CLIFFORD R. HOPE, of Kansas, went to the well of the House and said that he was opposed to the charter of the Commodity Credit Corporation as it was reported by the House Committee on Banking and Currency because it did set up a board

which he thought was not subject to the control of the Secretary of Agriculture. He said we would have divided authority when we needed unification. So strongly did the then chairman of the House Committee on Agriculture press his point that when the bill went to conference there was a compromise on the subject, and three of the members were to be allowed to come from the Department of Agriculture, in order that the Secretary could control the Board. It was done precisely for that purpose, and I do not think it is dishonest to do it that way.

Mr. DONNELL. Mr. President, may I address a question to the Senator from New Mexico, since he is answering the questions?

Mr. THOMAS of Oklahoma. I yield for that purpose.

The PRESIDING OFFICER. Without objection, the Senator from Missouri may proceed.

Mr. DONNELL. I am not questioning at all the advisability of the man who has the responsibility also having the power. The point to which I have addressed myself—and I have tried to make it clear, and if I have not done so it is my own fault, doubtless—is that here we have a situation in which Senators contend, and perhaps rightfully, that the responsibility is on the shoulders of the Secretary of Agriculture, and that therefore he should have the power. I am not questioning that. But now we have before us a bill, and instead of saying so in so many words, it yet continues in existence a corporation which, instead of having a board of directors with some power, as it has under the presently existing law, will no longer have any power.

The question to which I have addressed myself and to which I now invite the attention of the Senator from New Mexico is: Does he not think that it will be far more frank, far more honest, and far more conducive to good business, to good management, if the statute, instead of creating a figurehead corporation with directors who have no real power, who are subject to immediate discharge by the Secretary of Agriculture, simply stated in so many words, "the powers as well as the responsibility are vested in the Secretary of Agriculture," and leave out all this fiction of a corporation which actually does not have any corporate powers, or at any rate the board of directors do not have any powers?

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I hope I can reassure the Senator on that point very shortly. The Commodity Credit Corporation buys tremendous amounts of grain, cotton, and various other commodities. It is a difficult thing to go into court and sue the Secretary of Agriculture and the United States Government. Therefore a corporation is established which can sue and be sued. It is now conducting itself as a business agency with the corporate form so used. I say the United States Congress was very wise in creating it on that basis.

Mr. DONNELL. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. It is fully within the power of the Congress, is it not, to prescribe a procedure by which the Secretary of Agriculture, without any liability on himself as such, could sue and be sued, as well as the Government itself, instead of exhibiting to the public an ostensible corporation the directors of which have no real power? Would it not be more frank and more honest by statute to say, "We are giving the responsibility to the Secretary, we are giving him the power, and any person who is aggrieved by his action under that power may sue?" Congress has that right, has it not?

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I may say to the Senator from Missouri that he well knows I am not a lawyer. He is. He would know whether that can be done, and I would not. But I would say to him—and the same thing can be said in behalf of private management of a business—that we have found out after many long years of experience that there are decided advantages to the corporate form of operation of business, by reason of its ability to have agents scattered all over the country who can represent and handle affairs for the corporation. I can assure the Senator that this corporation, which was in existence in that sort of fashion for more than a dozen years, worked very satisfactorily with that type of power. It was only changed a year ago, and that change has not been good. We are asking to put it back as the Congress had created it previously.

Mr. THOMAS of Oklahoma. Mr. President, I might make the suggestion that in connection with the formation of our Government we do not find in the Constitution any direct authority for the creation of a Cabinet to assist the President. The Cabinet positions have been created by law. Cabinet officers are assistants to the President. Under the Constitution he is the Chief Executive. Under the Constitution he is Commander in Chief of the Army. But the Congress has set up a comprehensive and extensive group of organizations, an impressive group, the Army, the Navy, and the Air Force. The President depends on the heads of these organizations for advice, but he does not have to take the advice furnished him if he does not see fit to do so. He has the power to countermand or revoke any order made by the head of any department, or to issue new orders.

I hold that situation to be similar to the power conferred by the Congress on the Secretary of Agriculture in respect to supporting prices. He can do so through any agency now existing in his Department, or through any agency created by the Congress for that purpose. In this case the Congress has established the Commodity Credit Corporation to do the thing Congress has said should be done. That is my interpretation of the matter.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. I should like to make a correction for the RECORD. The Senator from New Mexico, in answer to a question asked him a few minutes ago, said that under the legislation now being considered no change was made in the set-up of the Directors; that the set-up would be the same.

Mr. ANDERSON. No, I made no such statement.

Mr. WILLIAMS. I understood the Senator from New Mexico to say that the Board of Directors are, under the legislation before us, continued exactly as under the present law; that what would be done under the new legislation is the same as what would be done under the present law. There is this distinct difference, however, between the Board of Directors as it now exists and as it would be under the pending bill, if enacted. The Board of Directors now cannot be removed at the pleasure of the Secretary of Agriculture, whereas under the proposed law they would be figureheads, and they could be removed by the Secretary on 10 minutes' notice.

Mr. ANDERSON. I may say I think that is true, but I also say that I am sure the Senator from Delaware recognizes the fact that in the Cabinet there is a close working relationship between the President and the members of his Cabinet. I cannot imagine the situation arising where the Secretary of Agriculture wanted to remove a member from the Board, and the President would not remove him from the Board. The President usually appoints members on the advice and suggestion of the Secretary of Agriculture himself.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Assuming that to be true, and I recognize it to be true, then what is wrong with the existing law? If the bill makes no change in the existing law, why not leave the situation as it is?

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield to me so I may answer the question of the Senator from Delaware?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. The proposal now made is this: Members of the Department of Agriculture would be available for advice and council to the Secretary in the meetings of the Board, in acting as his counsel. The Board consists of five members, the Secretary, and two other employees of the Department of Agriculture, and two other Directors, one from Tennessee and one from California at the present time.

Mr. WILLIAMS. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Mr. President, I might say to the Senator from New Mexico that I have no objections to all members being appointed as former employees of the Department of Agriculture, or from whatever place they are appointed. I am glad he has confidence in the President's ability to choose capable men. I hope there is no reflection on the other side of the aisle upon his ability in that respect. I am perfectly

willing to put into the hands of the President the power to select the Board of Directors from any source from which he wants to select the members. He can accept the advice of the Secretary of Agriculture. Surely, he is supposed to do so. The Senate confirms the Board of Directors. I have no objection to enlarging it to six, if the only objection the Senator from New Mexico has to my amendment is that the Board of Directors should be composed of six members instead of five. All I insist on is that they be appointed by the President and confirmed by the Senate. Once they are confirmed they are subject to removal either through impeachment or by removal by the President himself.

Mr. ANDERSON. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. Let us assume that this condition should arise; that the Board should be appointed by the President and confirmed by the Senate, and that thereafter Congress should give a directive to the Secretary to do certain things which he was obliged to do through the Commodity Credit Corporation, in order to carry out the directions given by Congress, and that the Board refused to go along.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. That situation could be handled in the same manner in which it is now handled with respect to every other Government corporation I know of, the boards of directors of which are appointed by the President and confirmed by the Senate. For instance, Congress directs the RFC to make loans under certain circumstances. It is inconceivable that the RFC would say, "We will not make the loans directed by the Congress to be made." If the Corporation refused, its members could be impeached. I cannot picture by any stretch of the imagination that the directors of the TVA, or of any one of the other Government corporations, would say, "We are going to strike against the Government. We are not going to carry out the instructions of the Congress." Congress can certainly take care of such a situation if it develops. I have sufficient confidence in the President to believe that he would never appoint a man who would not carry out the instructions of Congress, and I believe Congress would not confirm a man who would not carry out its instructions.

Mr. THOMAS of Oklahoma. Mr. President, I began to explain the bill, but I am still explaining the first section.

Mr. FREAR. Mr. President, I am still at a loss to know to whom to address my question—whether to the chairman of the Committee on Agriculture and Forestry or the Senator from New Mexico [Mr. ANDERSON]. However, this is the question, and I shall let either Senator give the answer—

The PRESIDING OFFICER. The Chair will state that the Senator from Oklahoma [Mr. THOMAS] has the floor, and the question should properly be addressed to him.

Mr. FREAR. I should like to address this question to the chairman of the Committee on Agriculture and Forestry: Just now the Senator from New Mexico [Mr. ANDERSON] made the statement that it was to the advantage of the Secretary of Agriculture, in fulfilling the obligations and duties imposed upon him by Congress, to have the advice of members of the Department of Agriculture. I should like to ask if the Secretary of Agriculture does not now have the authority to ask any of the 80,000 or more persons employed in the Department of Agriculture for advice and assistance?

Mr. THOMAS of Oklahoma. The answer must be yes.

Mr. FREAR. Then why not eliminate this board? If we are to give to the Secretary of Agriculture full responsibility and authority, and he can seek advice from any of the 80,000 employees of the Department of Agriculture, why do we say that he must have a board of 3, 5, 7, or any other number of members?

Mr. THOMAS of Oklahoma. The Congress has heretofore passed upon that question. It created the Board in the first instance. Last year it proceeded to change the Board somewhat. The Board was not functioning as well as was hoped. One member being from California, it requires 2 or 3 days to travel across the country. When he is through it requires 2 or 3 days for him to get back home. That is not a very satisfactory organization so far as that member is concerned. For that reason the committee recommends that a change be made.

Mr. FREAR. Does not the Secretary of Agriculture now have the privilege of calling upon any member of his organization? There are three members of the Board from the Department of Agriculture, two besides the Secretary. As I understand the Senator, the Secretary still has the privilege of calling upon any member of the Department of Agriculture for advice and assistance. Certainly he has among his employees many persons in whom he has the greatest confidence, who could give him advice. As the distinguished Senator from New Mexico said a while ago, when he was Secretary of Agriculture there were men in the Department who gave him unlimited counsel, for which he was very thankful and appreciative. I understand that the present Secretary of Agriculture has under him many employees who are well versed in the fields in which he may seek information.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I will say to the Senator from Delaware that the Commodity Credit Corporation is a Delaware corporation, and that as a corporation chartered under the laws of his State it had to have a board of directors. We cannot wipe them out.

Mr. FREAR. I should like to comment that I know of no better State in which it could have been incorporated.

Mr. ANDERSON. I agree with the Senator.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. YOUNG. I believe the Senate Committee on Agriculture and Forestry has considered this question very thoroughly. It has been considered and discussed on a nonpolitical basis by both Republicans and Democrats.

There was a time when I thought of the possibility of having a board entirely from the outside. However, the more I study the question the more firmly convinced I become that this would be an unwise policy. The Secretary of Agriculture has the responsibility of supporting farm prices. If we believe in the price-support program, eventually we must reach the conclusion that the Secretary of Agriculture must be given full power to carry out the provisions of the law.

The Board of Directors has been referred to as a fictional board. To me that is immaterial. There are valuable advisers in the Department. Many of them come up from the grass roots—from the AAA organizations and other organizations. They have independent minds. They are specialists in certain fields, and they make valuable members of this Board.

One further important question which arises in my mind is this: If a majority of the membership of the Board were from the outside, there might be times when the Secretary of Agriculture could not operate effectively in supporting prices.

An even more dangerous situation might arise. Suppose that next month the Secretary of Agriculture should have orders to buy for ECA 50,000,000 or 100,000,000 bushels of wheat. If the outside Board members were not friendly, and the information leaked to the public or to the grain trade that this large amount of wheat was to be purchased, immediately the price might jump 50 or 75 cents a bushel, and speculators would make millions of dollars.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Is the Senator from North Dakota referring to any past leaks which have developed under the previous organization?

Mr. YOUNG. I believe there may have been some leaks. People are only human. However, I believe that there are fewer leaks in the Department under the present system than there would be under the system of an outside board.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I think I should be allowed to get into the discussion. I recognize that there were stories of leaks from the Department of Agriculture. But when the stories were traced down, the leak was definitely pinned on another department. It did not come from the Department of Agriculture. I am always happy to defend those in the Department of Agriculture with whom I was associated. I never saw a more honorable group of people in my life.

Mr. WILLIAMS. Will the Senator from New Mexico tell us from what department the leak came?

Mr. ANDERSON. The finding of the House Committee was that a girl in the Department of Commerce had inadvertently made public the information.

Mr. WILLIAMS. What was done about it?

Mr. ANDERSON. The Senator will have to ask the Department of Commerce. However, I understand that her authority was taken away from her.

Mr. WILLIAMS. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. The Senator from New Mexico pointed out the fact that the leak came from a girl in the Department of Commerce. What reflection would that be upon the prospective Board of Directors of the Commodity Credit Corporation? Does the Senator think that a girl in the Department of Commerce would lead the whole Board of Directors astray to a greater extent than would the Secretary of Agriculture?

Mr. ANDERSON. Not at all. However, the question arose with respect to leaks from the Department of Agriculture in connection with grain purchases. I wanted to make it perfectly clear that the leaks did not come from the Department of Agriculture.

Mr. THOMAS of Oklahoma. Mr. President, if I may I shall run through the bill hurriedly. It contains only six sections.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRD. As I understand the position of the Senator from Oklahoma, he considers the Commodity Credit Corporation as a bureau, so to speak, of the Department of Agriculture.

Mr. THOMAS of Oklahoma. That is correct.

Mr. BYRD. I differ with the Senator on that point. This is a banking institution. There is no department of the Government that I know of which has its own private bank. The Commodity Credit Corporation is a banking institution. It has the authority to borrow \$4,750,000,000 with the guaranty of the Federal Government. It seems to me that the Directors of such an institution should be appointed by the President and confirmed by the Senate. I invite the attention of the Senator from Oklahoma to the fact that the Directors of the Commodity Credit Corporation are now appointed by the President and confirmed by the Senate. The Directors of the Export-Import Bank are appointed by the President and confirmed by the Senate. The Directors of the Federal Deposit Insurance Corporation are appointed by the President and confirmed by the Senate. The same statement applies to the Directors of the Federal Savings and Loan Insurance Corporation, the Reconstruction Finance Corporation, and the Tennessee Valley. Their Directors are appointed by the President and confirmed by the Senate.

This is the second largest banking corporation in the Government. The first is the Reconstruction Finance Corporation. If I were the Secretary of Agriculture I would want the responsibility divided. I would want the President to

appoint the Directors and have them confirmed by the Senate.

It is inconceivable to me that it can be argued that a banking institution such as this can be compared with a mere bureau in one of the departments. It is entirely different. It is chartered by an act of Congress. As the Senator knows, under the so-called Byrd-Butler bill these 48 corporations when first established had congressional control over them. They were chartered after a 10-year effort. They were required to obtain charters and to operate as corporations should be operated. I cannot agree with anyone who says that a banking institution such as this can be compared to a bureau of the Department, and that therefore the head of the Department should have complete control of the banking corporation.

Mr. THOMAS of Oklahoma. Mr. President, at one time I entertained the same viewpoint; but when the matter was presented last year and we went into it rather thoroughly, and when it was presented again this year and we again went into the subject thoroughly, I was forced to change my mind, for this reason: If the Congress should direct the Secretary to support the price of peanuts, cotton, apples, or anything else, and if the Secretary should call upon the Commodity Credit Corporation to provide him with the money to support the price of peanuts or cotton, and the Corporation, being independent, were to say, "We do not think that is a good policy; we cannot go along with you," having the responsibility under the law, what could the Secretary do under such circumstances except go to the country and say, "I have a Board which will not go along with me, although I have the responsibility and a directive from Congress to do certain things. I cannot get the money. The Board will not let me have it."

Mr. BYRD. Mr. President, will the Senator further yield?

The PRESIDING OFFICER (Mr. SCHOEPPLE in the chair). Does the Senator from Oklahoma yield to the Senator from Virginia?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRD. What about the Federal Reserve Board? It is subject to the control of Congress. Congress passes laws saying how the Federal Reserve Board shall be operated. I cannot believe that the Directors of this Corporation would deliberately disobey and disregard laws passed by Congress. The same argument could be made with respect to all other Government corporations. They are all in the same category.

Mr. THOMAS of Oklahoma. This is wholly a matter of policy. I realize that every Member of the Senate is entitled to his viewpoint. But after the hearings we held, and the experience the Department went through, it is now the considered judgment of the Department and of the committee that this is a more efficient way to get the job done than the other way.

Mr. BYRD. Mr. President, let me ask the Senator a question, if he will yield further.

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRD. Has there been any difficulty in the operation of this Corporation since it was chartered? Have the Board of Directors refused to obey the direction given by the laws passed by Congress?

Mr. THOMAS of Oklahoma. Of course, I cannot answer that question. No one would admit that there has been an open break or a breach.

Mr. BYRD. But the Senator's argument has been that the Directors, not being under appointment by the Secretary of Agriculture, would not obey the directions given by the Congress.

Mr. THOMAS of Oklahoma. They might not obey.

Mr. BYRD. Has that occurred?

Mr. THOMAS of Oklahoma. I cannot answer that.

Mr. ANDERSON. Mr. President, will the Senator yield to me?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I would remind the Senator from Virginia that the law under which the Commodity Credit Corporation has operated all these years is precisely the law behind this charter.

Mr. BYRD. Let me ask the Senator whether in the last year there has been any difficulty.

Mr. ANDERSON. Only last week the Secretary of Agriculture wanted to have a meeting of the Board of Directors of the Commodity Credit Corporation to pass upon the support price for pork, but he could not do so because the members of the Board of Directors were out of town.

Mr. BYRD. That does not answer the question. Has the Board of Directors refused to obey the requests of the Secretary of Agriculture in the last year?

Mr. ANDERSON. I do not think so.

Mr. BYRD. Then that answers the question.

Mr. THOMAS of Oklahoma. But they could abuse their power.

Mr. BYRD. Mr. President, here is a Corporation, very much like a bank, with a large borrowing power, and handling very great sums of money. The Senator knows that. Once this Corporation begins operations it cannot be controlled in the way that an appropriation can be controlled by law. I am told that even the accounting of the Commodity Credit Corporation has not been kept up-to-date.

But, be that as it may, if there is a desire to make this Corporation a part of the Department of Agriculture, then it seems to me we should disband the Corporation. However, how the Corporation could be disbanded, and still could be given this borrowing power, I do not know.

This and other Government corporations have been in existence for approximately 15 years. They have not been under the control of Congress until the so-called Byrd-Butler bill was passed.

But the Senator knows that the Department of Agriculture cannot borrow money as a department. A corporation must be formed in order to be given the power to borrow the money, collect the money, and make the loans.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I am almost in full accord with what the Senator from Virginia is saying about the fact that this Corporation acts generally in accordance with the dictates of the Secretary of Agriculture, and the matter must be handled in that way. We could tell the Secretary of Agriculture that he must do certain things; but I believe the Senator is entirely wrong when he calls the Corporation a banking corporation. Under the law under which this Corporation operates, when the price of wheat drops below a certain level the Commodity Credit Corporation begins to buy wheat, not of its own volition, but under the orders of the Secretary of Agriculture, who has been directed by Congress to support the price of wheat.

Mr. BYRD. The Corporation buys because it has the authority to borrow money as a banking institution. When the Corporation sells such products, the money goes back into the treasury of the Corporation, as the Senator well knows.

Mr. ANDERSON. Yes; but I ask the Senator how in the world he would have the Secretary of Agriculture carry out the price-support programs if he did not have this sort of agency to look to.

Mr. BYRD. I do not say he should not have this sort of agency; but I say the Secretary of Agriculture should not be in sole and complete control of this great banking corporation. Various parts of the United States have representation on the Board of Directors, as the Senator from New Mexico pointed out a while ago in the case of two directors, I believe.

Mr. ANDERSON. Yes.

Mr. BYRD. What is the objection to having the directors approved or confirmed by the Senate of the United States, inasmuch as they will be handling billions and billions of dollars of the people's money every year, in a revolving fund, as they have been doing. Has there been any abuse of that power? Is the Senator from New Mexico—who knows so much about these matters—aware of any abuse?

Why is this change desired? Why do Senators wish to take away from the Senate the right to confirm these directors?

In the case of this tremendous power, with this great revolving fund, amounting to I do not know how many billion dollars a year—because the money goes in and goes out—why should not the Senate have the right to pass on the directors who control that money?

Mr. ANDERSON. Very little of it is discretionary. When cotton reaches a certain price, the Corporation must step in and buy. That is not a matter of judgment; it is practically a mere mechanical operation.

Mr. BYRD. But what is the objection to having the men who handle this large amount of money confirmed by the Senate?

Mr. ANDERSON. I will say to the Senator, if I may be permitted to do so, if the Senator from Oklahoma will yield further—

Mr. THOMAS of Oklahoma. I yield.

Mr. ANDERSON. I will say to the Senator that I have never objected to having the names submitted to the Senate for confirmation, except, in view of the problems with which the Department has to wrestle, I would rather depend upon career employees in the Department of Agriculture, those long skilled in the operation of these programs, than to try to bring in someone else from the outside.

I wish to say that while I was Secretary of Agriculture, I tried to bring in as head of the Commodity Credit Corporation some outstanding businessman to help in its direction. I approached man after man. I went to two very large New York financial establishments, and they supplied me with a list of public-spirited and outstanding citizens whom they thought might be willing to come to Washington. One by one, I approached those men; but not one of them would undertake the task.

It is a task which requires long experience with agricultural production and long familiarity with agricultural programs. Those men felt they did not want to do the work.

I pointed out at the hearings before the Committee on Agriculture and Forestry that we approached a gentleman in Florida, a Mr. Love, one of the finest bankers and farmers in Florida, and tried to bring him to Washington, to be head of the Commodity Credit Corporation. I told him he could write his own ticket so far as I was concerned, but that we needed him a few days a week, to be head of that Corporation.

He came to Washington and talked with us, but then returned to Florida. He did not feel he could put in his time on that work, after watching one meeting of the Commodity Credit Corporation's Board.

I say to the Senator from Virginia as earnestly as I know how, that it is very difficult to bring in from the outside persons to administer these programs. In my own experience I have found that it is much better to use career employees of the Department to help carry out the directives of the Secretary.

Mr. BYRD. Would the Senator see any objection to having them confirmed by the Senate?

Mr. ANDERSON. I would not quarrel with that; but I think it is easier not to have that done.

Mr. BYRD. Certainly it is not a question of whether it is easier. It is the duty of the Congress to protect the people's money.

Mr. ANDERSON. I can only say that they operated 14 years under the other program.

Mr. BYRD. They operated 1 year—last year—under the present program, and the Senator is unable to point to a single instance in which the Board abused its power; is not that correct?

Mr. THOMAS of Oklahoma. Mr. President, I wish to invite the Senator's attention to the law passed by the Congress at the last session, and approved July 3, 1948. On page 6, I wish to read from section 202:

The Secretary, through the Commodity Credit Corporation (except as provided in subsection (c)) and other means available to him—

Here is the point—

is authorized to support prices of agricultural commodities to producers, through loans, purchases, payments—

And so forth. That is a directive to the Secretary. He is directed to do this job through the Commodity Credit Corporation.

If we could obtain better men to serve on the Commodity Credit Corporation's Board by going into the States and selecting men who have had no experience except in their particular line, but no experience in carrying out the directives or directions of Congress, if we could thus get better men, more experienced men, more efficient men, to handle the Commodity Credit Corporation's business than can be obtained by selecting those who have been trained in the Department, those who know the work of the Department and know the enactments of the Congress and the precedents which have been established, then of course I think the argument would be made out. But I contend that that cannot be done. It is impossible to go out into the States and get men with the necessary experience and with particular qualifications, especially for the salaries we provide, to come here and do this class of work. It would take them years to become familiar with the work. It is my contention that the Secretary, having the responsibility, must fulfill it or fail. He must, then, have men of his own choosing, the best men he can secure. The best men he can secure are no doubt those who have spent years in the Department, who have been educated along particular lines, and brought up to know the things that ought to be done and that are being done by the Department. That is my interpretation of the law.

Mr. BYRD. I think that interpretation is a very good one with respect to ordinary matters. But this is not an ordinary matter. This is a question of a banking institution. Even though the Senator from New Mexico may not have regarded it as such, it is a banking institution, because it has authority to borrow money upon the credit of the United States Government. No department of the Government has such power. Ours is a Government of checks and balances. Checks and balances may at times be cumbersome; but I am proposing in connection with the pending bill that the check should be that the President appoint the Directors, and that they be confirmed by the Senate. If the Senator knows of any instance in the past year when that plan has not worked to carry out the intent of Congress I should like him to state it, because I understand from him and from the Senator from New Mexico that while the law has been in force for more than a year there has been no objection to the manner in which the Board has functioned. I am speaking of checks and balances. I am speaking of the duty resting upon the Senate and the Congress to protect these great funds as best we can. It may be it would take a little longer; it may be that it would be desirable to have on the Board men who know thoroughly about these questions, such as the career men, but at least there are two such members on the Board now. Is not that correct?

Mr. THOMAS of Oklahoma. That is correct.

Mr. BYRD. And, as I understand, two of the members are from the Department of Agriculture. I think, Mr. President, if I were the Secretary of Agriculture, handling billions of dollars every year, as he does, I should want the protection of having the Board of Directors appointed by the President and confirmed by the Senate.

Mr. THOMAS of Oklahoma. The committee recommends the adoption of subsection (b), section 3, which provides for the creation of an advisory board, to be appointed by the President. The board is to be selected from the personnel of the general public, brought in from the States. The advisory board is created for the special purpose of advising the Secretary with respect to matters upon which he requests advice. If it should be adopted and written into the law, there would be an advisory board at all times available to give the Secretary advice upon any matter on which he might request advice.

Mr. BUTLER. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from Nebraska.

Mr. BUTLER. Perhaps no other Member of this body has had greater personal experience and closer contact with the Commodity Credit Corporation than has the Senator from Nebraska. I want to speak in a friendly and constructive way with respect to the program which has heretofore been carried out. I think there has been a failure to get practical, experienced men in handling some of the problems. To illustrate what I mean, I think if there had been properly qualified men on the Board, men of proper experience, they would have avoided the situation which we face at the moment. A little more than 2 weeks from now, the wheat harvest starts in the southern area, particularly Texas. It then moves gradually north through Oklahoma, Kansas, Nebraska, the Dakotas, and the Northwest. On April 30, just a few days hence, the Commodity Credit Corporation will come into possession of several hundred millions of bushels of grain, particularly wheat, on which they have had a loan, all of it ready to move at once. Had there been experienced men in charge of the program, I think they would have staggered the loans so that they would have taken possession of the wheat that was available on loans in the southern district a month or two in advance of the crop movement, and they would have had an opportunity of moving out of storage in Oklahoma anything that was in storage there. They could have moved grain from storage in Kansas, Nebraska, and from States farther north, as the season advanced. As it is, we are faced with an embargo in the New Orleans market, because of the rush of Commodity Credit wheat for export. It is an illustration which I think very definitely shows the weakness of the system, in having inexperienced men handling great quantities of commodities.

Mr. THOMAS of Oklahoma. Mr. President, I want to answer the implied question of the Senator. I think it is strictly in point. Yesterday I was looking over the news reports which come to

us by means of the ticker in the corridor. The ticker, as I think it is called, automatically prints alleged news items. As a rule, I think the news items are correct. I saw an item, respecting wheat, that I thought might be in point, taken from the news sheets of yesterday, April 21, 1949. The item comes from Hutchinson, Kans., and it reads as follows:

Experts said today that despite all transportation and storage arrangements, part of the Kansas wheat harvest this year will be "stored" on the open ground. The grain men attended a State-wide conference called by Gov. Frank Carlson. Emmett Wolmer, Smith Center, Production and Marketing Administration official, estimated that 80 per cent of the State's storage facilities are filled.

Mr. President, that shows that obviously there is need of storage facilities.

I also have before me a folder, which contains a picture of a vast amount of wheat stored on the ground in Texas. I should like to pass this around, because I imagine some Senators do not believe there is any necessity for additional storage. Yet, here is a picture showing a vast amount of wheat stored on the ground. It shows a truck with a device for either loading or unloading the wheat; I cannot tell which. If Senators wish to see this publication, they will observe a photograph of wheat stored on the ground.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BUTLER. In connection with what I term mismanagement in the handling of the crop of last year, I may say we are approaching a situation where storage is going to be a little scarce. But it is nothing unusual. The storage, I think, should be constructed by the man who raises the grain. He may need Federal assistance in providing storage on the farm for his own wheat or other grain. That is where I think it should be stored, though, of course, it is necessary to have terminal storage also. But if we have men who are looking after the best interests of the American farmer all the time, why do we permit Canadian rye, to the extent of 15,000,000 bushels, to move into this market just at a moment when we desperately need storage space for our own crop that is coming on?

Mr. THOMAS of Oklahoma. I think the question answers itself.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. If the Senator does not mind, I should like to return to the question asked by the senior Senator from Virginia of the junior Senator from New Mexico. I may preface my question with the observation that, as I understand, Senate bill 900, section 3, amends the Commodity Credit Corporation Act, Public Law 806, section 9, relative to appointment of the board of directors. Am I not correct in interpreting the proposed new section to mean that the power to appoint the board of directors will be vested in the secretary, or that the appointments will be made under his supervision and direction? That is different from the present law, wherein it is provided that they shall be appointed by the President, to be confirmed by the Senate? There is, of course, the question

of confirmation. As a further observation, before asking my question, I may say it seems to me that is where the point at issue really lies.

Would it not be just as practical for the Secretary to suggest to the President the names of those he wants as members of the Board of Directors as for the President himself to appoint them? In the final analysis, would it not simply come down to the confirmation by the Senate of the nomination of whoever was appointed a Director, and who, no doubt, would be suggested to the President by the Secretary, if this bill shall pass?

Mr. THOMAS of Oklahoma. It makes no difference; it is simply a means to an end. I contend that it is more effective and efficient for the Secretary to pick the men from his own Department, rather than to bring men in from the outside, train them, designate them to do this work, and then have them go out into the country and carry on the work.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The Secretary could do that under the new law, just as he is doing under the present law; is that correct?

Mr. THOMAS of Oklahoma. He is doing it under the present law.

Mr. WHERRY. I renew the question which was asked by the Senator from Virginia: Why is it not practicable for the Senate to confirm the nominations of members of the Board, as is done under the present law?

Mr. THOMAS of Oklahoma. The present law provides for that.

Mr. WHERRY. It will be changed, will it not, if this bill is passed?

Mr. THOMAS of Oklahoma. That is correct. At present when the Secretary wants the Board to meet he must either telephone, telegraph, or send a letter to a gentleman in California, and that gentleman must leave his work and come across the country and serve here in his capacity as a member of the Board. When his duties are completed here, he goes back to his business in California. It is my contention that that cannot result in the best kind of service.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Here is a director of a corporation which handles billions of dollars. I ask the Senator if that director should not be available every hour of the day for his official duties as Director of the Corporation, and cannot the ability required for the position be obtained among the career men; just as well as from outside the Government service?

Mr. THOMAS of Oklahoma. That is exactly what this bill would mean if and when it is enacted into law.

Mr. WHERRY. Then why does it not provide that whether the men are appointed by the Secretary or by the President, in the final analysis the Senate shall confirm their nominations? A man living in California ought to be paid a sufficient salary if he is to be a director of the Corporation. I submit to the distinguished Senator from Oklahoma, for

whom I have the highest regard, that if the Senate is to assume its responsibility it should at least confirm the nominations of those directors. Otherwise complete responsibility is placed in the hands of the Secretary of Agriculture, and we are removing completely the responsibility of the Senate in the matter.

Mr. THOMAS of Oklahoma. My answer to the question is that the Secretary is the one to whom we have given the authority and responsibility. He is the one upon whom the administration, whichever party is in power, must depend. He should have men of his own choosing, who are wholly loyal to him, and efficient and competent to do the work. When they have advised him and have done what they should do, he makes the decision, because he has the last word.

Mr. WHERRY. I do not want to detain the Senator, but I think it is a very vital point. I understood the Senator to say that it is being done under the present law. No doubt the Secretary would suggest appointments to the President, and the President would make the appointments. The Senate would then confirm the nominations.

If this bill should be enacted into law, the Senate will abdicate its responsibility if it does not see to it that directors who are appointed are confirmed by the Senate. I agree with the Senator that the Secretary should have the right to designate whom he pleases and to suggest appointments to the President, but, inasmuch as we are dealing with a large corporation doing billions of dollars worth of business, does not the Senator feel that the Senate should have the responsibility of confirming nominations in connection with directorships?

Mr. THOMAS of Oklahoma. In answer to that question, if I could see any good to come from confirmation by the Senate, I certainly would join in the viewpoint expressed by the Senator from Nebraska.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Minnesota.

Mr. THYE. I should like to address a question to the Senator from Nebraska with reference to the Board of Directors appointed by the President, the Advisory Board of five.

Mr. WHERRY. That is an added provision. As I understand, that will be subsection (b) of the bill.

Mr. THYE. Mr. President, if the Senator from Oklahoma will yield further—

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. I should like to state what my observation has been in serving as a member of the Senate Committee on Agriculture and Forestry. I was present when the Commodity Credit Corporation articles of incorporation were redrafted, and was also in the conference committee when certain provisions were drafted and concurred in by the conference committee. Last year I was just as insistent as is the Senator today that there should be some outstanding individuals brought in to supplement and to assist the Secretary of Agriculture in the administration

of the responsibilities of this huge corporation. We provided that two members of the Board of five should be chosen from outside the service. That was done. One was appointed from Memphis, Tenn., and the other one from California. The Board would meet approximately once a week for the general transaction of the business of the Commodity Credit Corporation. In order for those two Board members to attend, one would have to fly or come by train from California, and other other from Memphis. There would possibly be 1 day of conference. Then they would return, or wait here until the next Board meeting.

When Congress reconvened in January it was brought to our attention—and I will say that the majority leader, the Senator from Illinois [Mr. LUCAS], was the one who brought it most conclusively to our attention—that it was rather ridiculous for the Board to meet once a week when an outside member would have to come from Tennessee or from California. So the question was re-examined to determine what the next course of action should be. I think I can accurately quote what I said at one session. I said:

Gentlemen, it seems to me that if I, or any one of us, were placed under the responsibilities of a corporation as large as is this one, we would like to have the assistance, at least once a month or quarterly, of the best business minds which this Nation has to offer, to have them as members of the Board or as employees within the Department of Agriculture. They might serve as Board members comparable, somewhat, to the members of the board of directors of a bank or of some other corporation. They would sit down once a month with the Secretary of Agriculture and determine the policy and the course of action in connection with what we are to do with surpluses if they should accumulate. We can expect them to accumulate in this postwar era. They should also determine with regard to disposing of the powdered milk and the butterfat which have been acquired, and the citrus crops which we are compelled to acquire.

I thought it was desirable that we should get one of the best bankers, one of the best men trained in the export field, and one of the best men trained in the grain business to serve on this Board. If they could sit down once a month with the Secretary and the administrative staff within the corporation they might be able to lay down a course of action or a policy which would chart us through the highly complex problems in connection with the surpluses we have and may expect to have in the future.

It was for that reason that we finally conceive the idea of this five-man Board, and concluded that if the five-man Board were appointed by the President and confirmed by the Senate, we certainly would have men with prestige, and certainly have men who would not hesitate in talking back to the Secretary of Agriculture if they differed with the Secretary's general policy in the over-all administration of the Commodity Credit Corporation functions. It was that we had in mind when we finally, as a committee, consented to the specific committee amendments which were drafted into the advisory five-man Board provision. That is

the explanation of what took place in the committee.

As I said at the outset, I was probably as instrumental as anyone else in providing for the appointment from the outside of two men to be members of the Commodity Credit Corporation Board, rather than to have them appointed from within the group of career people who have served in the Department for perhaps 5, 10, 15, or 20 years, and have come up from clerical positions to the executive positions they now hold. I will say definitely that while it may not meet with my specific approval, it was the basis we finally agreed upon in committee, and permitted to come out as a committee amendment.

I come back again to the thought I heard the former Secretary of Agriculture, the Senator from New Mexico [Mr. ANDERSON], state before the committee, that when he took office as Secretary of Agriculture, he recognized the tremendous responsibility of assuming all the obligations and the functions of the Commodity Credit Corporation, and sought advice and assistance from some able businessmen to help him labor through the mass of problems confronting him. Because he made that statement, I thought how wise it would be to provide for the appointment of businessmen, to serve perhaps once a month in relationship to the general over-all functioning of the Commodity Credit Corporation, and provide by law how the Secretary and the President of the United States could appoint such men, with the Senate having the opportunity to examine into their qualifications as a basis of confirmation.

However, that is not stipulated in the bill, and that is why I raised the point to the Senator from Nebraska. I felt that if we provided for the confirmation and approval by the Senate, certainly the men would have prestige and a certain amount of authority to exercise in demanding that the Secretary of Agriculture carry out certain functions. But if we were to put the responsibility of the Commodity Credit Corporation wholly outside the Department of Agriculture, then we might find ourselves placing the entire farm-support program, and all the mechanics of parity, in complete jeopardy by a division of opinion, or an argument existing between the Secretary of Agriculture and his Department, and the Board which would administer the Commodity Credit Corporation, and by that division of opinion and division of responsibility bring about an absolute disagreement over what should be done in the support-price program, so that we might find ourselves jeopardizing the entire farm program to such a point that the economy of this great Nation would suffer very drastically.

We took that all into consideration in the 2 years' debate in which I was privileged to participate as a member of the Committee on Agriculture and Forestry, and I finally arrived at the conclusion that perhaps we did not help specifically by insisting on these two outside members, because of the complication of their coming in from a distant point in the Nation to meet once a week in the gen-

eral administrative functioning of the Commodity Credit Corporation.

In the event there were an administrative body within the Corporation, and an over-all policy-making Board of Directors appointed by the President, confirmed by the Senate, which determined what the policy of the Department of Agriculture should be in the administration of the Commodity Credit Corporation's business activities in supporting prices, and all the mechanics we give them legislatively to support prices, I would feel we were going forward. That is why, as a member of the committee, I finally consented to the language just written in the bill, and I sincerely and honestly feel that we are going forward.

At the outset I personally felt that we should have the members appointed by the President and then confirmed by the Senate. I shall call attention to the reason why some might think that desirable, first, that greater prestige would be conferred on the Board by such action, similar to that conferred on the Secretary of Agriculture, and therefore that we might give to the Board members such strength of mind as actually to enable them to deadlock the action of the Secretary. That was finally the reason why the language was not written into the amendment to have them appointed and confirmed by action of the Senate.

Mr. THOMAS of Oklahoma. I thank the able Senator from Minnesota for his statement.

Mr. HOLLAND. Mr. President, will the Senator from Oklahoma yield?

Mr. THOMAS of Oklahoma. I yield to the Senator from Florida.

Mr. HOLLAND. Mr. President, I should like to associate myself completely with the statement just made by the senior Senator from Minnesota [Mr. THYE]. Unfortunately I have not had the length of experience on the Committee on Agriculture and Forestry which the Senator from Minnesota has had, but in the sessions of the committee this year, during the consideration of the particular bill now before the Senate, Senate bill 900, I found that the approach of the Senator from Minnesota and the approach which seemed reasonable to me were quite similar.

I have some sympathy with the position taken by the distinguished senior Senator from Virginia [Mr. BYRD], because in the beginning I found it rather hard to differentiate between the Commodity Credit Corporation and other Government corporations dealing in heavy financial transactions, such, for instance, as the Reconstruction Finance Corporation.

After having made as full and careful a study of the situation as it was possible for me to make, I came to a conclusion which I think is inescapable, that the functions of the Commodity Credit Corporation are completely and entirely different from the functions of the Reconstruction Finance Corporation, which is set up as a financial agency, with only a general framework prescribed by law, not within any of the executive departments of the Government, but independently, to seek out those places in the Nation where, in the judgment of the directors,

extension of credit which the RFC is authorized to make can be granted in the interest of the general welfare, and particularly in the interest of the communities and the industries to which credit is extended.

In the case, however, of the Commodity Credit Corporation I call the attention of the distinguished Senator from Virginia to the fact that here is an organization which, in the first instance—and I quote again from section 2 of Public Law 802, of the Eightieth Congress, under which the Commodity Credit Corporation now exists—was set up as an instrumentality of the United States “within the Department of Agriculture,” because in the very beginning it appears that the Congress in creating this agency regarded it as a necessary and integral part of the Department of Agriculture, necessary to the carrying out of some of its important functions.

I again call to the attention of the distinguished Senator from Virginia the fact that, in the case of this organization, the determination of the questions as to whether and when credit shall be extended or purchases shall be made, is imposed by act of Congress, not upon this particular corporation, but upon the Department of Agriculture.

The question as to whether or not the facts prevailing in a particular producing agricultural industry at a given time are such as to require or justify the functioning of the Commodity Credit Corporation is a determination which is placed by the law within the discretion of the Department of Agriculture.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. HOLLAND. I shall be very happy to yield in a moment, if I may first complete my statement.

It seems to me, after giving considerable study to this matter, that the point of difference which I have just mentioned, completely differentiates this organization and its functionings from any other of the Government corporations with which the Senator from Florida is familiar—and he has been familiar from time to time with various such agencies, particularly the RFC, and the Agricultural Credit Administration, and its various regional institutions.

Now here we have a corporation set up to serve as a tool within the Department of Agriculture, to serve as a conduit merely and simply between that Department and the Treasury, from which the borrowing is done, under the terms of the act of 1938—I believe the act is that of March 8, 1938—to carry out technical decisions reached by the Secretary of Agriculture and his staff.

The Senator from Florida was concerned, and still is concerned, about one aspect of the Commodity Credit Corporation. I have not the slightest doubt of the ability, honesty, and integrity of the present Secretary of Agriculture, or of any citizen who may be named to that high post and confirmed by the Senate—and I call to the attention of the Senator from Virginia the fact that after all the Senate does have the veto power in that connection—and I also have complete confidence in the head

men in the various divisions of the Department who are career men, and who, in my experience, have almost without exception proved to be men of the very highest caliber and quality. But the Senator from Florida, the Senator from Minnesota [Mr. THYE], and the Senator from North Carolina [Mr. HOBY], and perhaps other members of the committee, are disturbed to find that under the law as it now exists, there was not provided, as we saw it, a sufficiently technically trained administrative group, qualified by technical experience in the field of handling finance. We set out to find how we could improve that situation.

I may say to the Senator from Virginia and to all Senators upon the floor that, in the humble opinion of the junior Senator from Florida, the act passed last year, with all the good motive behind it, did not accomplish by any means the desired objective, which was the bringing in from the outside men of independent thought who were well versed in financial affairs to assist in the work of the directorate of this corporation. To the contrary, such a result is prevented by two things. First the act of the Congress itself, which fixed the maximum salary limit at \$10,000. I think all Senators know that any person with the experience which would qualify him to serve as an executive in the largest corporation we have—authorized to handle \$4,750,000,000 in any year, and which has actually handled more than \$2,000,000,000 in the last year—would command in private industry more than any such salary as \$10,000 a year. That was the first thing that stood in the way, Mr. President.

When the Corporation came to look for men to accept that responsibility they found it impossible to find two men who in a true sense were independent in their attitude. I have no doubt that they are excellent citizens, that they are fine men. One was in the State of Tennessee, I believe, a citizen who had served, and may have been serving at the time—I do not recall—as Chairman of the PMA Committee for that State. In other words, to all intents and purposes he was a member of the staff of the United States Department of Agriculture. I am making no criticism at all of his appointment. He was appointed and confirmed. Undoubtedly he is a fine citizen. But so far as bringing in an independent viewpoint is concerned, so far as bringing in the viewpoint of one versed and trained in high finance is concerned, that result was not accomplished.

Similarly, the other outsider who was brought in to the present Board, occupied a similar position, as the Senator from Florida understands, in the great State of California.

So, instead of bringing in independent judgment and skill in the field of finance, nothing along that line was accomplished. So the committee decided that nothing could be accomplished along that line under the present act, because the position does not pay enough, and it does not appeal to men who have the requisite training to give highly skilled handling to great financial matters such as those the Corporation handles.

There were various suggestions as to how that problem should be dealt with. I shall not go into all of them. Some of us felt that a portion of the Board at least should be paid a considerably higher salary, should be attracted from private financial industry, and should be required to serve on a full-time basis, not simply to attend the meetings, as is being done now in the case of the two outside members, but to give all their time to the handling of the fiscal set-up of this far-flung instrumentality.

But that view had to yield to the majority view, and in working the whole thing out the committee decided to adopt, and did adopt, and recommended, and still, I believe, recommends—I know of no departure from that—to the Senate and to the Congress this set-up under which the responsibility, insofar as the actual choosing of the members of the board is concerned, is placed in the agency and upon the person who actually formulates the policies which must be formulated before the Commodity Credit Corporation can begin to function. But we recommended the setting up of this bipartisan advisory group of entire outsiders, who would have no connection at all with the United States Department of Agriculture—not in any sense that that is an invidious thing; quite to the contrary—but in order to accomplish the purpose which we had in mind, that is, to have an independent outside skilled viewpoint and perspective which, looking into the operation of this huge organization could furnish valuable and needed advice and administrative skill.

So, as the distinguished Senator from Oklahoma, the chairman of the committee, has reported in his address, the recommendation was that that particular viewpoint could, in the judgment of the committee, be better followed and subserved by the creation of this new advisory board which should be appointed from outstanding citizens, and should not be expected to serve on a full-time basis, but should, as described in the amendment, reflect a broad agricultural and business experience, and should meet not less often than each 90 days—we considered it would be considerably more often than that, particularly in the beginning—to advise and to consult and to suggest a better set-up, and to suggest those things which the committee believed need to be done in order to make a more efficient set-up to replace the one that now functions.

Not that we charge any impropriety or know of any impropriety in connection with the present organization; but I think the committee realized that to leave a loose situation would not only reflect upon the Congress and upon all concerned, but, what was more vital, would harm agriculture if something untoward happened. If some grave scandal or misconduct of some sort should by chance—we think there is only the merest chance—creep into the administration of this great organization, it would be agriculture which would suffer. Therefore the amendment was suggested which has already been discussed by the distinguished chairman.

Before I take my seat, let me say a word in reply to the comment, with which I sympathize, which has been made by the distinguished senior Senator from Missouri [Mr. DONNELL]. In a sense the Corporation is a fictional organization. In a sense it is nothing but the United States Government. It is more fictional than most of the other Government corporations. It is established, by the very first section of the act, as a part of one of an executive department, the Department of Agriculture. As was stated by the distinguished former Secretary of Agriculture [Mr. ANDERSON], it was established to meet a need determined by Congress years ago, for a body which could sue and be sued, which could perform corporate acts, and quickly create effective local agents and agencies. We must have agents in all parts of the country, not only to handle the disbursement and collection of money, but to make adjustments of claims and to handle all conceivable kinds of business.

So the Board of Directors, whether named by the Secretary of Agriculture or whether named by the President—and if named by the President, whether or not they are confirmed by the United States Senate—must perform, as a Board of Directors, certain organizational activities which are required of a directorate in the administration of any corporation.

I hold in my hand the bylaws of the Commodity Credit Corporation. I was interested to see what a far-flung organization is provided for under those bylaws. Without attempting to comment on them in any detail, I invite attention to the fact that it is necessary to have about 200 field agents in all parts of the United States, with authority to buy effectively for the Commodity Credit Corporation, with authority to make advances in its name and accept securities in its name; with authority to accept the delivery of goods in its name, and to provide for the warehousing of the goods. When claims arise, they must have authority to make adjustments of the claims. That is all provided for in the bylaws. The bylaws also provide for all the other meticulous details of operation—how contracts shall be made, and how the Corporation may function. All those things, of course, must be determined by the Board of Directors.

So I find no fault whatever with the fact that the members of the board of directors are, after all, nothing but servants of the United States Government, career employees of the Department of Agriculture in large part. We know that. I invite attention to the fact that the Congress created this Corporation as a part of the Department of Agriculture, realizing that it differed from any of the other Federal corporations which are required to function in the public interest.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRD. As I understand the position of the Senator from Florida, one reason why he wants to change the law is that we cannot get the proper type of

men at \$10,000 a year. I am speaking of the two outside Directors. Yet he undertakes to employ within the Department men who are not getting more than \$10,000. I cannot see the distinction.

Mr. HOLLAND. I will say to the Senator that it was thought that bringing in the five advisory committee members, chosen from outstanding groups in the Nation, men who have the finest knowledge of both agriculture and business matters, would, as nearly as possible without completely changing the organization, meet the situation.

Mr. BYRD. I am speaking of the Board, not the advisers.

Mr. HOLLAND. The advisory board is created to advise the directors.

Mr. BYRD. I am speaking of the change in the Board. The present Board consists of five members. The Secretary of Agriculture, or his nominee, is a member of the Board. Then, as I understand, in addition to the Secretary of Agriculture, there are two employees or officials of the Department of Agriculture.

Mr. HOLLAND. Not more than two additional.

Mr. BYRD. Not more than two additional. That gives the Secretary of Agriculture and those in the Department the majority of the Board.

Mr. HOLLAND. Exactly.

Mr. BYRD. The bill provides that three out of five shall constitute a quorum to enable the Board to function.

The Senator has been contending that we could not get good men for \$10,000 a year to serve as outside Directors. The two employees of the Department of Agriculture, aside from the Secretary of Agriculture, cannot receive more than about \$10,000, under the law. The classification limit is \$10,330. Even the highest paid employee of the Department, unless he is an Under Secretary, cannot possibly receive more than \$10,330 a year.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. I should like to comment, for the benefit of the senior Senator from Virginia, on the question of the Board. From the standpoint of the administrative staff within the Department of Agriculture, the Secretary of Agriculture would appoint members of the Board of Directors who would administer all the functions of the Commodity Credit Corporation. That, of course, is what is first planned for within the Department of Agriculture. I assume he might appoint the head of the PMA, or the Under Secretary, or anyone else. They would be the administrators of the entire function of the Department of Agriculture.

For purposes of illustration, let us use a name. Assume that Mr. Smith is highly qualified in the export field. Possibly he could not be hired as a direct employee of the Department of Agriculture to enable him to qualify to serve as a member of the Board, because his income and responsibilities are far in excess of anything he could hope to get within the Department. Therefore he could not be employed by the Department, but it might be possible to obtain Mr. Smith as a Board member to sit

quarterly, or once a month, or whenever a special meeting was called. He could come in and sit with the other Board members, who might be businessmen with qualifications comparable to his own.

If the able Senator from Virginia were not a member of the National Legislature, I should say that he would be one of the best qualified men to serve as a member of that Board. But I am willing to wager that his services could never be obtained as an employee of the Department of Agriculture. Yet it might be possible that he would accept an appointment from the President, and that the Senate would immediately confirm his nomination, and he would become a member of the Advisory Board, which would meet once a month, or upon call for a special meeting.

The Senator from Virginia might sit down with the Board and say, "My anticipation is that we are going to have many million bushels of apples for which we cannot find a ready market. I believe that the best plan the Department of Agriculture could possibly follow would be to prepare to carry this huge volume of apples under the price support program." Immediately the Senator from Virginia would set to work to help implement the program of preparing to take care of the surplus apples. Generally speaking, that would be the function of the Advisory Board.

Mr. BYRD. I do not want the Senator to create the erroneous impression that apples are under the support plan. They are not, and I hope they will never be under it.

Mr. THYE. All perishable commodities will be under the jurisdiction of the Secretary, either under the Aiken Act or under the proposed plan as blueprinted for us on April 7 by the Secretary of Agriculture.

Mr. BYRD. The proposed plan has not yet been enacted into law.

Mr. THYE. I believe that under the Steagall amendments the Secretary has some discretionary power.

Mr. BYRD. He has never exercised it with respect to apples, and I hope he never will.

Mr. THYE. I hope so, too, because I also have an apple orchard.

Mr. BYRD. In regard to the Board, if I am correct the present law provides that the Board shall be appointed by the President and confirmed by the Senate. The proposed law provides that the Board shall be appointed by the Secretary of Agriculture, without confirmation by the Senate.

The Senator speaks of an Advisory Board. I assume that such a Board would have no power to act. Its only function would be to give advice. That means nothing.

Mr. THYE. Mr. President, will the Senator from Oklahoma further yield so that I may supplement what I have already said?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. In my first statement I referred to all that took place in the Senate Committee on Agriculture and Forestry relative to the amendment of the

Act. At that time I stated that I probably could be charged with some responsibility for the provision which went into the Commodity Credit Corporation Act relative to the two outside Board members who served on that Board a year ago. I do not know whether the senior Senator from Virginia was in the Chamber at the time I made that statement. If he was not, then I would impose upon other Senators long enough to reiterate what I said at that time. I stated then that upon the reconvening of Congress, at one of the early meetings of the committee, we discussed the functions of this Board. It was then the distinguished majority leader of the Senate, the able and honorable Senator from Illinois [Mr. LUCAS], who made reference to the impossible provision which was in the Act, insofar as the two outside Board members are concerned.

Mr. BYRD. Let me argue that point, please.

Mr. THYE. If I may, I should like to complete stating the point, Mr. President. Let me say that I am making reference to a statement made by the able majority leader; and in all fairness to him, I should like to complete stating why he made that statement.

He then said: "There is one man, appointed to the Board, who resides in Memphis, Tenn.; and the other one resides in California. The Board meets every week, and sometimes it is necessary for it to meet more often, if emergency arises. It is utterly out of the question to have the members come from Tennessee or from California merely to hold a conference as a Board."

Senators might immediately say that the directors are paid \$10,000-plus a year, and should be in Washington every day.

Mr. BYRD. Mr. President, there are many other Government officials who are in Washington every day, and who receive \$10,300 a year. So why should not these Directors be here every day?

Mr. President, if the Senator from Oklahoma will yield, I wish to make one point—

Mr. THOMAS of Oklahoma. Mr. President, inasmuch as all these matters will have to be gone over when individual amendments are before the Senate, it occurs to me that no good purpose will be served by having me hold the floor very much longer. If I may make one or two brief statements, I shall yield the floor.

I was trying to present a brief explanation of the provisions of the bill, and I think I had concluded discussing the first three sections.

The fourth section of the bill, if and when the bill is enacted into law, will give the Secretary the power to appoint the various officials and clerical assistants of the Commodity Credit Corporation.

Mr. DONNELL. Mr. President, will the Senator yield for a question in regard to section 4?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I should like to ask the Senator, as a businessman, whether he agrees that the provision of section 4 to which he has referred is a sound

and proper one. He has stated that section 4 amends section 10 of the Commodity Credit Corporation Charter Act, and that section 4 in substance states that the Secretary shall appoint such officials and employees as may be necessary in conducting the business of the Corporation. Then I call the Senator's attention to this language: "delegate to them"—that is to say, to the officers and employees—"such of the powers vested in the Corporation as he may determine."

I call attention to the fact that nothing is there stated to the effect that the Secretary of Agriculture is to remain responsible in any sense with respect to the duties that are delegated. In that connection let me call attention to the fact that among the powers vested in the Corporation is the power to borrow money up to \$4,750,000,000.

So I ask the Senator this question: Does he think it is good business and good public policy to permit the Secretary of Agriculture to delegate to some unknown person, some person of whom the Senate may never have heard, and whose appointment the Senate may never have confirmed, and with whose selection or appointment the Senate may have had nothing to do, the power to borrow \$4,750,000,000? Does the Senator think that would be a good provision of law?

Mr. THOMAS of Oklahoma. Mr. President, the present law provides for that, anyway, in substance. It may not do it in the words the distinguished Senator from Missouri has used, but the end result is the same.

If I may continue for a few moments further, then I shall surrender the floor; and then any Senator may bring up any matter which he wishes to discuss.

Section 4 gives the Secretary the power to make the appointments. Under existing law, the Board has that power, but of course the Board is under the secretary. However, under the law the Board now makes the appointments. This provision of the bill would have the appointments handled more directly, for it provides that the Secretary shall make the appointments. That is actually what is done now, under the present law; but in the bill this change is proposed in order to have the provisions conform with the substance of the present general situation.

Section 5 of the bill would amend section 4 (c) of the act of June 29, 1948, so as to enable the Corporation and persons having claims against the Corporation to plead set-offs and counterclaims which now are barred by the statute of limitations, if, at the time when the plaintiff's cause of action arose, the defendant's cause of action on which the set-off or counterclaim was based had not been barred by the statute of limitations. In other words, the amendment would afford protection to either the Corporation or its claimants in cases in which amounts owing were applied against amounts due.

Section 6 provides for penalties as against any person—or any corporation for that matter—who might see fit to

infringe upon the name of the Commodity Credit Corporation. That is simply a protection to the good name of this organization, and I sincerely trust that its name always will be good.

Mr. President, I have gone through the bill and have pointed out the major features. I think I omitted saying very much about section 2, which really is the primary reason for the existence of this bill. Section 2 would amend the present charter so as to give the Commodity Credit Corporation's Board the power to acquire real property by lease, purchase, or otherwise—which might mean by condemnation, or by gift—for the purpose of providing storage facilities.

If the Government sees fit to provide storage in warehouses, it must have ground upon which to build such storage facilities; and this amendment is necessary in order to carry out the intent of the law.

So, Mr. President, with those interpretations of the provisions of the bill, as I understand them, I yield the floor.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question before he yields the floor?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. From the Senator's last statement, do I correctly understand him to say that, by this bill it is proposed to give the Corporation the power to purchase or lease or otherwise acquire real property; and did he state that "otherwise" would include the condemnation of existing facilities; in other words, that the Government could condemn existing private facilities, and could put them under Government control?

Mr. THOMAS of Oklahoma. The language of the bill reads as follows, at that point:

Acquire by lease, purchase, or otherwise real property or any interest therein for the purpose of providing storage—

And so forth.

Mr. WILLIAMS. That is correct; but the word "otherwise" is what I am speaking to. I understand from the Senator from Oklahoma that the word "otherwise" means that the bill is proposing to give to the Secretary of Agriculture the power to condemn and take over, in the name of the Government, any existing storage facilities which now are being operated in private ownership.

Mr. THOMAS of Oklahoma. Mr. President, the word "otherwise" is all-embracing. It might mean that; it might mean many other things.

Mr. WILLIAMS. I say that is the Senator's interpretation; is it not?

Mr. THOMAS of Oklahoma. It could be, and it could be otherwise.

Mr. WILLIAMS. But that was the intention; was it not?

Mr. THOMAS of Oklahoma. No; the intention was to give the Government the power, acting through the Commodity Credit Corporation, to acquire property, by lease or purchase or by receiving it as a gift, or, if necessary, if conditions justified it, by taking it over under the power of condemnation.

Mr. WILLIAMS. I should like to ask the Senator from Oklahoma what kind of conditions he could picture which

would justify the Government's taking over existing private storage facilities, if they already were adequate.

Mr. THOMAS of Oklahoma. Under the law, the Commodity Credit Corporation would have the power to make loans. Under this bill, if it becomes law, if the Commodity Credit Corporation made a loan on real property and later found that it had to foreclose on the loan, that would not be taking the property by way of lease or by way of purchase, but it would be taking the property by means which could properly be labeled "otherwise," in my opinion.

Mr. WILLIAMS. Yes. I am discussing the word "condemnation," which the Senator from Oklahoma has mentioned. I am talking about a case in which the Government has a loan and must take over the property as security. But as I understand the Senator from Oklahoma, he is asking for certain additional power for the Corporation, namely, that if the Government goes into a certain area and if there are in that area existing storage facilities owned and operated by private business or private enterprises, then the Senator from Oklahoma proposes to give the Government power to condemn that property and take it over and operate it as a Government institution, without any condition that it must be mortgaged or handled in some other manner. Is that the purpose of the amendment?

Mr. THOMAS of Oklahoma. I would not answer that categorically, but there might be cases where storage could not be made available and could not be used, although it existed. It would either be the duty of the Government to step in and build other storage facilities, or to try to negotiate and to take over existing storage facilities. I cannot portray an exact condition which might satisfy the distinguished Senator from Delaware. Those words were intended to cover any form of acquisition of property, in addition to lease and purchase.

Mr. WILLIAMS. If I understand correctly, what is proposed by the bill is to confer upon the Secretary of Agriculture the power, if he desires it, of taking over any and all existing storage facilities throughout the country.

Mr. THOMAS of Oklahoma. I would not make that admission in any degree. I do not think the Secretary, whoever he may be, and of whatever party he may be, would contemplate for a moment spending a single dollar of Federal money to build competitive storage or storage that is not needed. The only purpose of the law is to secure storage to accommodate farmers. Farmers cannot obtain loans on grain or cotton unless it is properly warehoused. A few moments ago I exhibited a picture showing a great pile of wheat stored on the ground. Farmers cannot pile their wheat on the ground and then go to the Government to ask for a loan on the wheat. They must have the wheat in acceptable storage. The Government has that responsibility. I do not think it will be necessary to provide very extensive additional storage. But in areas where storage is not available, in order that the farmers may get loans on their commodities, the storage must be provided either by themselves or

by private parties, or directly by the Government; otherwise the law which gives the farmer the opportunity to obtain loans cannot be effective.

Mr. WILLIAMS. Mr. President, I am not suggesting that the Secretary of Agriculture has done this in the past. I am not suggesting that he may do it in the future. What I am pointing out is that under the bill which the Senator is advocating it is possible, as I understand, so to interpret the word "otherwise" as to confer upon the Secretary power, if the Secretary of Agriculture at any time desires to exercise it, whereby he can condemn existing storage facilities in any area, in any amount; or, in fact, he may condemn all existing storage facilities. Is there anything in the bill which says he cannot do that?

Mr. THOMAS of Oklahoma. The pending bill, if enacted, would give the Secretary the power to acquire storage in all practicable ways.

Mr. WILLIAMS. In other words, the power is wide open.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. HICKENLOOPER. As a member of the Committee on Agriculture and Forestry of the Senate I am exceedingly concerned and somewhat taken by surprise by the insinuation even that this bill pretends to give the Commodity Credit Corporation power to condemn existing privately owned storage facilities. I am utterly astounded at that assumption. I say to the Senator that it has in no way come into my understanding of the bill, and I cannot let the RECORD stand otherwise, that the Secretary of Agriculture can come into my town or any other town and, merely because he happens to think it will help him somewhat, condemn privately owned and operated storage facilities. That is a new angle of the bill so far as I am concerned. I certainly hope that will be cleared up, because I believe it probably would give one of the most ominous powers for Government to invade existing activities and prerogatives of private business that I have seen suggested. I am very much for the Commodity Credit Corporation and its activities, for giving great latitude to it, and for giving it tremendous responsibilities with respect to surplus storage; but this is certainly a new angle to me.

Mr. THOMAS of Oklahoma. Mr. President, I have given my interpretation of the sections. I am sure my interpretations are not all embracing, and in some particulars they may be erroneous; they may be too wide and too embracing. But the amendments will be taken up from time to time, and we shall discuss them upon their merits when they are considered by the Senate.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. I may say to the Senator from Iowa and to the Senator from Oklahoma both that I am not an attorney, but from what advice I have had, the interpretation that could be given to the word "otherwise" would make it all inclusive unless it is redefined.

Mr. THOMAS of Oklahoma. Mr. President, I yield the floor.

Mr. HOLLAND. Mr. President, there are merely two points to which I want to address myself briefly. The first relates to the point that has just been raised in the colloquy between the distinguished chairman of the committee and the Senator from Iowa [Mr. HICKENLOOPER]. It is the opinion of the junior Senator from Florida that the provisions of the pending measure do not extend nearly so far as he understood was indicated by the chairman of the committee. I recall clearly that in the discussion of the bill in committee, on several occasions, the committee had its attention directed to the fact that there was one very vital paragraph in the law which created the Commodity Credit Corporation, namely, Public Law 806, of the Eightieth Congress, which would remain in force, and which, as the committee understood, made it imperative that the Commodity Credit Corporation should utilize to the maximum extent possible the privately owned facilities which were available in the various communities.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a moment at that point?

Mr. HOLLAND. I yield.

Mr. HICKENLOOPER. I am in thorough agreement with the Senator from Florida on that point. Running all through the hearings I think it was the complete understanding of the committee that while the Commodity Credit Corporation should have great power and authority, even to the extent of constructing facilities in those areas where facilities did not exist, yet I agree with the Senator from Florida that the interpretation or the suggestion went much further, with special emphasis on the suggestion of condemnation of existing and operating privately owned facilities. I simply could not subscribe to the extension of such power, because it would violate the whole spirit of the act that has been written, which says that, where they can be used, the Corporation shall use existing normal private facilities to the maximum, in keeping with carrying out the business of the corporation, and shall not, in effect, destroy or cut down existing private facilities in performing its functions, where it can avoid doing so. I find myself in agreement with the Senator from Florida generally in his position.

Mr. HOLLAND. I thank the Senator from Iowa. In order to make the position which I have taken quite clear, I should like at this time to read into the RECORD the provisions of a certain paragraph of section 5 of Public Law 806, of the Eightieth Congress, which is the existing law establishing the Commodity Credit Corporation. The particular paragraph that I quote reads as follows:

In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, utilize the usual and

customary channels, facilities, and arrangements of trade and commerce.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Delaware.

Mr. WILLIAMS. Mr. President, I will say to the Senator from Florida that I agree with him as to the meaning of the law which was passed. I agree with both the Senator from Florida and the Senator from Iowa with reference to what we are intending to do. I was wondering about the word "otherwise," and, frankly, in reply to my question I was surprised to see that it was interpreted so broadly. I was also wondering how far we could go with the word "otherwise" included and interpreted as the chairman of the committee has said. Conceivably, the Secretary of Agriculture could say he would take over all existing storage facilities. I do not think it is the intention of the committee that that be done, and I do not think that is the intention of the Congress. I think we should and shall correct that situation.

Mr. HOLLAND. I thank the Senator from Delaware. It seems to the Senator from Florida that the paragraph quoted from the fundamental law creating the Commodity Credit Corporation, and which will still be in existence when and after the pending amendments shall be adopted, should be interpreted in the manner suggested by the Senator from Iowa and the Senator from Florida. It is the Corporation's first duty to utilize to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, the usual and customary channels, facilities, and arrangements of trade and commerce.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, if the Senator will turn to page 3 of the report accompanying the bill, he will find that at the top of that page the first sentence reads as follows:

There would remain the general prohibition upon the acquisition of real property, and there would also remain in effect the provision in section 5 that the Corporation should, to the maximum extent practicable, utilize the normal channels of trade and commerce.

Mr. President, I suggest to the Senator from Florida that it is my understanding that that was the general spirit of the act. The act conveyed upon the Corporation the obligation to take care of surplus storage, to take care of certain supports and price adjustments, and that it should not, unless absolutely necessary in the carrying out of the basic business of the Corporation, invade the field of the normal channels of trade or the normal private storage facilities where they are in existence. I again say that I believe, under this act, that where normal and adequate storage facilities are not in existence, the Corporation has the duty to provide storage facilities, but not to do so on a condemnation basis, and take over operating private facilities. I repeat

that, because I think it is very important that the point be made abundantly clear, in order that the basic intention of the act may be clarified, and that the duties and limitations upon the Secretary of Agriculture under the act may be well understood.

Mr. HOLLAND. I thank the Senator from Iowa. I think he has clarified the position greatly. I believe there is no question whatever that it is the intention of the bill to do as is stated in the report to which the Senator has called attention, and as was stated a few minutes ago by the Senator from Florida, namely, to afford power to round out a program where necessary, but always that the first duty is to utilize to the maximum extent existing facilities.

Mr. THYE. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. THYE. I have had a large number of letters from firms, companies, and individuals operating cold-storage plants across the Nation, as well as from those operating them within my own State. It is for that reason that I am exceedingly concerned about the entire question. I think the Senator from Iowa stated very clearly what his concern is, and the Senator from Florida has assured us of his convictions.

I should like to address a question to the senior Senator from Oklahoma.

Does he understand the provision and the intent of the bill in the same manner as has been stated by the Senator from Florida and by the Senator from Iowa? We cannot leave any doubt in the minds of those who operate cold-storage plants across the Nation that they have anything to fear from an aggressive action on the part of the Commodity Credit Corporation, to the effect that it will construct cold-storage plants which will absolutely ruin the businesses now located throughout the United States, operating and offering cold-storage facilities to those who need that type of storage.

Mr. THOMAS of Oklahoma. Answering the inquiry, there was no evidence presented to the committee that cold storage of that character was necessary. The only intimation with respect to cold storage was with respect to a certain cave in Kansas. I think the Government has taken over a cave there and has used it and is now using it for the storage of farm commodities. So far as evidence is concerned, there is nothing in the record to show any need for additional cold-storage facilities. So far as I am concerned, it would be perfectly all right to provide that it shall not apply to refrigerated warehouse facilities.

With respect to the word "otherwise," suppose that in some section of the country there are no elevators and that all the farmers can do with their wheat is to take it somewhere and pour it on the ground. I showed a picture of wheat being poured on the ground in Texas. In order to get loans upon wheat, farmers must in some way provide approved warehouse space. If there be none at hand, the Government tries to get private parties to provide warehouse space. Suppose no one will provide it. Then the Government must step in and provide it.

It first tries to lease some land next to the railroad tracks, but the owners of the land will not lease it. Then the Government tries to buy the land on which to build some kind of a warehouse for wheat, or corn, or some other commodity. Still, the owners of the land will neither lease nor sell it. How is the Government to provide storage space to take care of the farmers who have wheat upon which they desire to secure loans, except to exercise the power of eminent domain and take the necessary land and provide its own storage facilities?

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The Senator from Florida has the floor.

Mr. HOLLAND. Mr. President, I ask unanimous consent that I may be permitted to yield to the Senator from Iowa for the purpose of his asking a further question of the Senator from Oklahoma, without my losing the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HICKENLOOPER. With respect to the statement of the Senator from Oklahoma, I find myself in no disagreement with the particular illustration which he has given. The point of my remarks was directed at what I understood to be the suggestion that existing and operating privately owned storage facilities would be the subject of condemnation proceedings under this bill, if the Secretary should so desire.

Mr. THOMAS of Oklahoma. It never occurred to me to make such an admission. I would not now make such an admission.

Mr. HICKENLOOPER. I am happy to hear the Senator say that, because I was certain I had misunderstood his suggestion along that line. I thought it was sufficiently important so that we should make the record very clear that we should avoid invading private enterprise as much as is humanly possible in carrying on the business of the Corporation. I did not want the record to stand that there was any intention on the part of the committee, so far as I could understand, to confer power of condemnation on the Secretary of Agriculture over existing and operating private facilities.

Mr. THOMAS of Oklahoma. I made no such admission, and intended to make no such admission.

Mr. HICKENLOOPER. I thank the Senator for that statement.

Mr. THOMAS of Oklahoma. I did state that the Government had the power to accept property by devise, gift, or bequest.

Mr. HICKENLOOPER. I agree with that.

Mr. THOMAS of Oklahoma. If it could not get it by gift, devise, or bequest, in order to obtain a facility which it must acquire, not being able to get it except by condemnation, the Government should have the power to obtain the property necessary to provide the kind of storage required at a particular point to enable farmers to procure loans on their crops.

Mr. HOLLAND. Mr. President, I wish to say at this time that I fully and completely agree with the statement just

made by the distinguished chairman of the Committee on Agriculture and Forestry. I think that it is now clearly apparent that every Senator who has made comment on the floor of the Senate is correct, that there is in Senate bill 900 power of condemnation, in the event, for instance, a site adjoining a railroad track is needed, or a site adjoining present facilities is needed and cannot be procured otherwise, that it may be procured by condemnation as the basis of construction.

The statement of the Senator from Oklahoma, at least as I understand it, is now completely in accord with my own view, that that power of condemnation may not be utilized except subject to the fundamental duty devolved upon the Commodity Credit Corporation, under the act creating it, to utilize to the maximum extent existing facilities.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Delaware.

Mr. WILLIAMS. I should like to say that I, too, am in accord with the Senator from Florida in having no disagreement with the interpretation of the Senator from Oklahoma, as I just understood it. However, the interpretation as I understood it prior to this I did have disagreement with, and I was surprised at the statement just made. I am glad to know that either I misunderstood the chairman, or he had no intention of embracing the condemnation of existing facilities under the Secretary of Agriculture. That was the point I was surprised at. I do not think Congress could afford to adopt any such policy.

Mr. YOUNG. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from North Dakota.

Mr. YOUNG. Is it not true that, in addition to providing that no injury should be done to existing storage facilities, we went a step further? We proposed that any future storage should be provided by private enterprise, cooperatives, and so on, and that every assistance should be given them to establish that type of facility.

Mr. HOLLAND. That was certainly covered in the hearings. I do not know whether it is provided for in the bill as drafted, but that was certainly implicit to the whole understanding.

Mr. ANDERSON. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from New Mexico.

Mr. ANDERSON. I merely wish to point out that in the desire to make sure that there would not be an invasion of the private field, I have prepared to offer an amendment similar to the amendment prepared and offered in the House of Representatives, which would provide that the power to acquire by lease or otherwise should not be utilized unless there was a finding that existing facilities were not adequate. Certainly that would indicate that we intended in every way to make sure that, first, there was an examination of existing facilities. I understand the Senator from Delaware, perhaps joined by one of the Senators

from Massachusetts, has offered the identical wording carried in the bill as it passed the House. I merely mention that to show that there was general agreement among us that instead of trying to invade this field, we intended to protect existing facilities.

Mr. HICKENLOOPER. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. I have examined carefully the amendment of the Senator from New Mexico, and I believe it tends to clarify the understanding, and make completely clear the authority of the Corporation, and yet that it is not intended to put the Government into the business of competing with private enterprise as a deliberate purpose.

Mr. HOLLAND. I thank the Senator. One more point, and I shall relinquish the floor. The senior Senator from Virginia in his remarks some minutes ago mentioned the wisdom of the present act, which failed, as has been stated on the floor of the Senate, because of the fact that it had not been found possible to accomplish the objective which Congress had last year in passing the present act, that is, the objective of bringing in independent, experienced, highly trained and highly qualified personnel, whose ability would be merged with that already available, to bring about a finer performance of the functions of the Commodity Credit Corporation.

It is the position of the junior Senator from Florida, as stated already in the preceding argument, that the act of last year has failed to bring in talent of the kind which was desired at the time the act was passed. The Senator from Florida mentioned the fact that the two exceedingly fine gentlemen who were brought in were simply part of the personnel of the United States Department of Agriculture, chairmen of State committees, one in Tennessee and one in California, and that it was not at all possible, with the \$10,000 maximum salary limit, to provide personnel of the type that was sought.

The reason why that set-up in the committee report is being replaced, and the set-up recommended is being substituted for it, is that the committee felt that it would be much more possible to get talent of the kind which we desired so greatly under the advisory-committee amendment than has proved possible under the existing law. Not only would it be possible to get outstandingly qualified persons, but the set-up of the advisory committee provides for five such persons, which gives broader distribution, both geographically and by way of agricultural interests, and by way of general financial expertness and experience.

While the committee was not at all prepared to say that this was the ultimate, last word of wisdom and experience in this matter, I think every member of the committee felt that this set-up as proposed in the amendment now being considered, Senate bill 900, would bring about vastly better results from the standpoint just mentioned than does the present law.

Furthermore, Mr. President, it was felt that the change of the law as suggested would allow the Secretary himself to bring in a larger number of his own trained technical people to advise him directly in the Board of Directors than is possible under the present law.

Mr. WILLIAMS. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. It seems that this discussion is developing on a little different angle. The only difference between the law we passed last year and the law which existed prior thereto, or the measure we are considering today, is that last year we provided that the President should appoint the Board of Directors and that they should be confirmed by the Senate. Prior to that the Secretary appointed them, as he will under the pending proposal.

The criticism seems to be aimed at the existing law, based upon the fact that two men have been appointed who are incompetent. That is a reflection, in my interpretation, upon the President of the United States.

Mr. THYE. Will the Senator yield?

Mr. WILLIAMS. In a moment. I feel that the President is just as competent to appoint these five men as anyone else, and can make the selections as well. There is nothing in the law which provided that he had to pick a man from California. He could have picked a man from the East, he could have picked a man who lived closer to this city if he so desired. There was nothing in the law which provided where an appointee should live. I feel that the President is fully as competent as is the Secretary to appoint five men who are capable of administering the Corporation.

Mr. THYE. Mr. President, will the Senator yield at that point?

Mr. HOLLAND. I shall yield in a moment.

Mr. President, the suggestion of incompetence, which was brought into the discussion by the distinguished Senator from Delaware, has now first appeared in the debate. Certainly there was no thought in the mind of any member of the Committee on Agriculture and Forestry, so far as is known to the Senator from Florida, that either of the two gentlemen who had been brought in as outside members were incompetent. Quite the contrary. But it was the decision of the committee, at least as the Senator from Florida understood it, that these two members who had been brought in and who have rendered service, did not bring in either the independence of thought or the broad financial experience which had been desired, and it was, I think, the unanimous judgment of the committee that such individuals could not be brought in under the provisions of the present law. Whereas it was thought possible to bring in such individuals in larger numbers, five of them, under this advisory committee set-up which was recommended. I call to the attention of the distinguished Senator that the members of this five-man advisory committee would be chosen and selected by the President of the United States.

I now yield to the Senator from Minnesota.

Mr. THYE. Mr. President, when the word "incompetent" was brought into the discussion I was compelled immediately to ask that I be recognized, because I do not believe that at any time any committee member ever recognized or ever heard a reference to inability or disqualification of those gentlemen. There was no mention made in committee of any such thing. The only question that was ever raised came up by reason of the fact that the function of the supervising board of the Commodity Credit Corporation is such that the members must oftentimes meet daily. There are times when it is absolutely necessary that the Board meet for several days at a time. If I am incorrect in that statement I know the junior Senator from New Mexico, the former Secretary of Agriculture, can definitely correct me.

Knowing that the members of the Board, in order to function properly, often had to meet for several days at a time, or several times a week, the question then arose not only in my mind but in the minds of all the members of the Senate Committee on Agriculture and Forestry as to how we could develop a plan of mechanics under which the Board can function in a supplementary and supervisory capacity to assist the Secretary of Agriculture and his administrative Board within the Department of Agriculture. The question came up as to how we could give to the Secretary and his administrative Board, who are responsible for the many operations in the Department of Agriculture, the benefit of the experience and knowledge of highly qualified men from various fields of business and enterprise, whether those fields be agricultural or agricultural processing or industrial or business management. We felt that if such men could be found, and appointed, they could be of great help in advising the Secretary. It would relieve the Board from meeting weekly, or every time there was a need for the performance of a duty such as the Board is compelled to perform.

There was a difficulty with respect to the two outside members, who have been spoken of, if they were obliged to meet every time a decision had to be made, or to perform the administrative functions required by the Commodity Credit Corporation's daily routine operations. It was for that reason that we recognized we had better examine the question again as we had examined it last year, and if we found some other means of establishing the mechanics of a board of supervisors to assist the Secretary in the administrative duties, we should try to do so. So we conceived the thought that a board composed of men from outside the Department could be appointed. That would result in bringing in men who could not ordinarily be employed as regular routine employees of the Department of Agriculture.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. HOLLAND. I yield.

Mr. WILLIAMS. I may say to the Senator from Minnesota and to the Senator from Florida, that, so far as I am personally concerned, I am not suggesting that these men are incompetent. I have already stated to both Senators publicly that I think the Board is functioning well under its present set-up. What I am asking is that the law stand as it is. Let the President send a list of names to the Senate, and I am ready to vote for confirmation of the men he names. I think such men can do a better job with authority to back up their decisions than can men who are simply figureheads, who are called in to advise.

Picture the type of men who will be drawn from private industry to act in an advisory capacity with this great corporation, who will sit once a month to do so. Sooner or later their decisions will be overridden. Men of such caliber will not stand for that. They will go back home. I say if an outside board is going to be brought in, or, for that matter, an inside board, let us give them the power to back up their decisions. They may meet once a week or once a month and formulate policy. If there is something wrong in the Corporation give them the power to clean it up. If confidence is not felt in the Board, then let a new board be appointed in which there is confidence. The President can appoint five men to the board. He can select them from whatever fields he pleases. There is nothing in the law which provides from what political party he must select them. Let the President select them, and I will vote for the confirmation of any capable men he selects. I have voted only once or twice against appointments made by him.

Mr. President, I have nothing against the men involved. I am waiting for the privilege of voting for men whom the President appoints. But let us give them power to back up their decisions. Do not ask men to come in from the outside to act as mere figureheads.

Mr. HOLLAND. Mr. President, in conclusion I simply wish to say that it was the judgment of the committee that the present set-up was not an efficient one. When either the Secretary of Agriculture himself was away, or one of his new key men who comprise the other two members of the Board that are chosen from his own personnel, it is impossible for him to have a quick meeting of the Board. To the contrary, he has to bring someone in from California or Tennessee, regardless of the difficulty of the situation or its urgency, before he can have a meeting.

It was the further feeling of the committee that to have five highly qualified gentlemen chosen to serve as advisers would bring much more fully into play the outside skill, experience, advice, and assistance which the committee felt the Congress had in mind in passing the amendments last year.

The committee also felt that men of that type should be brought forward. They felt there was a loose handling that should not be approved. They would be much more apt to make it their duty to report to the President, and the Secretary

of Agriculture would, of course, always be available to the Congress, if the Congress wished to contact him. It would give a greater assurance of efficiency of operation by this great Corporation, which handles so much money, but which above everything is such a vital link in the giving of immediate service to agriculture in the Nation.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. DONNELL. I should like to have the Senator refer, if he will, to the provision in the bill for an amendment of section 10, relating to the personnel of the Corporation. I should like to ask him the reason for this particular amendment. Section 10 of the existing law provides as follows:

Responsibility for the day-to-day conduct of the business of the Corporation shall be vested in a staff of executive officers, headed by a chief executive appointed by the Board and responsible to the Board. Members of the executive staff shall devote their full time to the affairs of the Corporation. The Board shall define the authority and duties of the members of the executive staff, delegate to them such of the powers vested in the Corporation as it may determine, require that such of them as it may designate be bonded and fix the penalties therefor.

The Senator will observe that the Board defines the authority and duties of the members of the executive staff of executive officers, and it is to those officers, and no one else, that the Board is authorized to delegate any of the powers vested in the Corporation.

I want to ask the Senator why it is that section 10 of the bill, while recognizing that there will still be officers and employees, provides that—

The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them—

That is, I take it, to any officers or employees—

such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor.

My question is this: Here we have a corporation with extremely important powers, one of them being the power to borrow money to the extent of \$4,750,000,000. The existing law recognizes that the Board cannot delegate any such power as that to any one except an officer—indeed, an executive officer, as provided in section 10. Yet the proposed amendment would authorize the Secretary of Agriculture to bypass entirely his Board of Directors, and not merely to delegate to officers the power to borrow \$4,750,000,000, but to delegate to any employees whom he may select such of these powers as he may determine, including the one to which I have referred. What is the reason for the change, and why was it regarded as important so vastly to enlarge the power of the Secretary of Agriculture as to enable him not merely to vest these powers in the officers, but in any employees whom he might select?

Mr. HOLLAND. In answer to the excellent question of the distinguished

Senator from Missouri, I can simply state my own view and understanding.

It is my understanding that the change suggested in section 10, to which the question of the distinguished Senator refers, is a necessary change in view of the amendments accomplished in section 1, under which the words of the old act "direction and control of its Board of Directors" are changed to the words "supervision and direction of the Secretary of Agriculture (herein referred to as the 'Secretary')".

It is my understanding that if the first amendment which I have just read were made, and if section 10 as it appears in the present law were left undisturbed, we would have an entirely inconsistent situation, in which mere words in the first section would provide that the Secretary should have full supervision and direction of the affairs of the Corporation, but in which, in section 10, the Directors would still be left the vital business of selecting and designating the officers and giving and limiting their powers. So my answer is that the matter brought up by the questions of the Senator is simply a part of the change in the present law begun in section 1 of Senate bill 900, and that without its accomplishment section 1 would be completely inconsistent with the provisions of section 10 of the present law.

Mr. DONNELL. Mr. President, will the Senator further yield?

Mr. HOLLAND. I yield.

Mr. DONNELL. I may say to the Senator that I appreciate his answer, but I do not think I have made my question clear, because I do not think the answer in any sense answers my inquiry.

In my question I am not referring to any change in the ultimate authority as between the board of directors and the Secretary of Agriculture. What I am addressing myself to is this: In section 10 of the existing law the persons to whom these powers of the Corporation may be delegated are no one other than executive officers. That is what section 10 of the present law provides. But in the amendment, on page 4, lines 11 and following, and particularly lines 14 and 15, the delegation of these very important powers of the Corporation, including that of borrowing nearly \$5,000,000,000, is not restricted to a delegation to officers of any kind. It may go as well to any employee whom the Secretary of Agriculture may select, whether he be an officer or not.

There may be some reason for this, but my question is, Why is it that the amendment permits him to delegate the power of the Corporation to someone other than an officer of the Corporation? Yet the very same section, section 10, recognizes that there will still be officers, because it says:

The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation.

Do I make my question clear?

Mr. HOLLAND. I think so. My answer is the same as heretofore, except that I shall elaborate it.

I hold in my hand the bylaws of the present Corporation. A large part of those bylaws have to do with a heading called "The executive staff." Under

that section, which I shall be glad to hand to the Senator if he cares to have it, he will note that the directors in that instance—and that is proper under existing law—name the various officers. Since the Senator has the list, I shall not attempt to give them except from memory—the Comptroller, the Treasurer, the Secretary, and various other fiscal and administrative officers. It then proceeds to fix their powers and duties.

It is the understanding of the junior Senator from Florida that section 10 simply accomplishes the transfer of the power to make that class of appointments—that is, the executive staff, the officers, and employees—from the Board of Directors, where it reposes under present law, to the Secretary of Agriculture, who under the proposed law would be given, in section 1, much broader powers, namely, powers which are described as "supervision and direction," which greatly transcend the former powers which he held.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. I yield.

Mr. DONNELL. Am I correct in understanding, first, that the bill creates in the Secretary of Agriculture the supervision and direction of the Corporation, over and above the Board of Directors, so that section 2, at the conclusion, will say that this Corporation "shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary of Agriculture"?

Mr. HOLLAND. The Senator is correct.

Mr. DONNELL. That is point No. 1.

In the second place, the Board of Directors, so-called—and I assume that the Senator from Florida will agree with me that the Board has very little power of direction under this amendment. Am I correct in that statement?

Mr. HOLLAND. I agree.

Mr. DONNELL. So the Board of Directors is itself subject to the general supervision and direction of the Secretary.

In the third place, the Secretary not only has supervision to direct the Board of Directors as to what it shall do, but can delegate not only all his powers, but the powers of the Corporation itself, under the terms of section 10—"such of the powers vested in the Corporation as he may determine"—to any employee, whether an officer, or whatever the employment of the individual may be. Am I correct in my understanding of the bill in the respects indicated?

Mr. HOLLAND. The understanding stated by the Senator is almost precisely the understanding of the junior Senator from Florida.

Mr. DONNELL. Mr. President, I should like to ask the Senator a further question; and I begin by stating that I can appreciate the point made today by the former Secretary of Agriculture, our distinguished friend and colleague, the junior Senator from New Mexico [Mr. ANDERSON]. I can appreciate the point that it may be necessary to have a corporate entity in order to sue and be sued

and carry on various transactions. However, would it not be much more frank and honest with the people not to provide by this bill for an ostensible board of directors, who, however, would have no actual power of ultimate management, but would be subject to instantaneous discharge by the Secretary? Would not it be more frank for the Government to create, if necessary, a corporation sole, consisting of the Secretary of Agriculture, under the corporate name, if you please, of the Commodity Credit Corporation, rather than to build up a fictitious board of directors which would have no actual power, but would be appointed solely by the Secretary of Agriculture, would be subject to instantaneous dismissal by him, and with respect to which he would have power so great that he could even transfer all the powers of the Corporation to the least important subordinate within his jurisdiction, and might do so at his own desire? Would not it be much more frank simply to create the Secretary of Agriculture under a corporate name, if you please, as a corporation sole, rather than to build up this fiction of an alleged board of directors who actually would have no power whatsoever?

Mr. HOLLAND. In answer, and speaking only for myself, I would say that in my judgment the proposal now before the Senate constitutes a much franker approach to the problem than does the old law.

Mr. DONNELL. But does it as compared to the approach I have just suggested?

Mr. HOLLAND. Let me complete my reply, and then the Senator from Missouri may question me further if he wishes to do so. It was my observation and my distinct conclusion, based upon what I heard during rather exhaustive committee hearings, that precisely what is prescribed under the proposal now being considered by the Senate with reference to control by the Secretary of Agriculture, is presently being accomplished under the existing law, because under the present law the Secretary of Agriculture himself is a member of the Board; and two of his key men, who are in his employ and are subject to his direction, are two of the other members of the Board; and the remaining two members of the Board are the chairmen of State PMA boards, one from Tennessee and one from California.

It was my judgment, and still is, that under the proposed law we would accomplish on this point precisely what now is being accomplished under the present law.

Mr. DONNELL. Mr. President, will the Senator yield at that point? If what the Senator has stated is a fact, why is it that the Senator wants any change made in the law—if the same thing that the proposed new law would accomplish is accomplished now?

Mr. HOLLAND. The Senator from Missouri did not permit me to conclude my answer.

Mr. DONNELL. I beg the Senator's pardon.

Mr. HOLLAND. Except for the fact that the advisory committee, which

would be added under the proposed change in the law would—at least, in my judgment, and I think in the judgment of all other members of the committee—permit to be carried out much more fully than has been possible or than has actually occurred under the present law, the intention of the last Congress, which was that outside ability and outside skill and genius and experience should be made available to this important governmental agency. At least, it was my opinion that that result had absolutely not been accomplished under the present law, and that there was much greater assurance of accomplishing it under the proposed law.

Again let me say to the distinguished Senator that I was one who would have gone further than this proposal in endeavoring to accomplish that result; but, as the Senator from Missouri knows, in committee, as upon the floor of the Senate, we try to work out the best arrangement that can be obtained by joint agreement of those who are involved. So, after long discussion and after having had available the distinguished and well-informed former Secretary of Agriculture, the junior Senator from New Mexico, who had had much experience not only under this set-up but also under the preceding set-up, all of us were of the opinion that a better job would be done by bringing to bear outside skill, outside experience, outside assurances that the conduct of this activity would be to the best advantage of agriculture and of the entire Nation, by means of the change proposed by the measure now before us, and particularly by means of that part of it which would create the proposed bipartisan advisory committee, rather than under the existing law.

Mr. ANDERSON. Mr. President, will the Senator yield to me?

Mr. DONNELL. Mr. President—

Mr. HOLLAND. If the Senator from Missouri will permit, I shall yield first to the Senator from New Mexico, who must leave the Chamber in a few minutes.

Mr. DONNELL. Certainly.

Mr. ANDERSON. Mr. President, I merely wish to say to the Senator—and I say this somewhat in reply to the observations which have been made by our distinguished friend, the Senator from Missouri—that there is a reason for proposing to make this transfer, ostensibly from members of the staff of the Corporation to employees of the Secretary of Agriculture. The answer is this: The provision written into the act last year setting up an executive staff which should be steadily engaged only in the work of the Corporation itself, tends to develop specialists in various commodities, such as a specialist in cotton, a specialist in wheat, a specialist in the export and shipment of corn, and so forth, whereas at the head of the commodity branches at the present time there are men who are specialists in those fields, and who have been long years in the service of the Department. So, instead of setting up a new staff and delegating the work to that staff, it is proposed now to do as was previously done, namely, let the men in those branches of the Department who have

long been familiar with the handling of those products and commodities do the work themselves.

After all, if we want experience, the greatest experience of all in the handling of these commodities is to be found among those who have served for years in the Department of Agriculture. There was one day when, as Secretary of Agriculture, I bought more sugar than any other person in the history of this country had bought in a lifetime.

We are steadily faced with such problems. The men serving in the Department of Agriculture have had a tremendous amount of experience in that work, because of their long service in the Department. The man to whom I previously referred today, when discussing tobacco—Charley Gage—knows more about tobacco than does any other person in the United States, because of the vast experience he has had in that field; and the Department is using his experience today, even though he has retired from the active service of the Government. Throughout the Government service there are men who are happy to be there, even though the salaries paid them may be low, and considerably lower than the salaries which such persons receive when they leave the Government service and move into more attractive positions, financially speaking.

I wish to explain that the man who long was the head of the dairy branch in the Department of Agriculture, finally left the Department, where he was being paid \$8,000 a year, to go to Boston to a job which paid him \$28,000 a year. The man who was head of the sugar branch, who had been receiving a salary of \$9,000, when he left that branch and went to California to be the head of a sugar company, received from that company a salary of \$60,000 a year. Similarly, I can present a whole list of names of persons who are specialists, and who, as I have previously stated, are willing to work for the Government for \$8,000, or \$9,000, or \$10,000 a year. But when we find a man who is on the outside, it is rather difficult to drag him into the Government service at a salary of \$8,000.

Mr. DONNELL. Mr. President, may I be permitted to ask a further question of the Senator from New Mexico, by unanimous consent?

Mr. HOLLAND. Mr. President, I so request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DONNELL. Mr. Gage and the gentleman who went to California, where he received a salary of \$60,000, or thereabouts, would be amply qualified to act as the officers under the terms of section 10, would they not? They would be men whom the Senator from New Mexico would be perfectly willing to appoint as executive officers; would they not?

Mr. ANDERSON. No; because as executive officers of the Corporation, they would have to spend their entire time handling the operations of the Corporation; and men coming from the outside would not have had experience along those lines.

Mr. DONNELL. That difficulty could easily be removed, could it not, by simply

striking out one sentence of the act requiring the members of the staff to devote their full time to the work?

Mr. ANDERSON. Yes; but I may say that in part what is required of a member of the Cabinet who is confirmed for that position by the Senate is that he use good judgment in the exercise of his powers, and that he shall not confer upon some office boy the right to borrow \$5,000,000,000. Of course, that could not actually be done in the case of the Corporation, except by resolution of the Corporation, which of course would not be done in such a case. But no one delegates responsibility in excess of what he feels the administrative officer concerned is capable of exercising.

I do not believe this responsibility would be delegated to members of the executive staff if they were not at the same time handling the affairs of the Corporation.

Mr. DONNELL. I thank the Senator. Mr. President, will the Senator from Florida yield for a further question at this point?

Mr. HOLLAND. I yield.

Mr. DONNELL. As I understood, the Senator from Florida indicated that, in effect, the existing law brings about the same results as the proposed amendment, except insofar as the advisory board is concerned, and that the advisory board provision is the major thing or the predominant thing and substantially all that is added in the new amendment, which is not already effective in practice under the existing law. Am I correct?

Mr. HOLLAND. Perhaps it would be more accurate to say that that is all that is added insofar as the character of the membership of the Board is concerned. There is an additional factor, however, which the Senator will remember I mentioned in my remarks a few minutes ago, to the effect that the proposed change would name more of the top staff men in the Department of Agriculture to the Directorate and make it possible not only for the Secretary always to have them sitting right there at the Board, if they are present, but, what is particularly important, make it much easier to secure a quorum, which has been found difficult under the present set-up. I repeat to the Senator that under the present set-up, other than the Secretary himself, who in the very nature of things is required to be away from Washington frequently, there are two of his heads of staff, heads of his departments, and then there are these two outlying members, and it is frequently the case, as the Senator will easily see, that it is impossible to hold a quick meeting, no matter how badly the Board meeting may be needed, by reason of the very facts which I have set forth, whereas if there were six department heads sitting on the Board, as is provided under Senate bill 900, and the Secretary of Agriculture himself, then when any four of those seven were here available, whether the Secretary was one of the four or not, it would be possible to transact business, and, in the judgment of all who are familiar with the affairs of the Commodity Credit Corporation, that will expedite greatly the proper functioning of the necessary business of the Corporation.

Mr. DONNELL. Mr. President, I return to the question which I asked the Senator a little while ago. That question is: Does he not think it would be far more frank with the public and with all parties concerned if the Secretary of Agriculture were constituted under a corporate name as a corporation sole, with authority to sue and be sued, rather than to set up in the pending bill what purports to be, and which at first glance looks like, a board of directors, which really has no power of direction and is subject to immediate dismissal by the Secretary?

Mr. HOLLAND. My answer is that I do not think that. I think either the proposed act or the setting up of a corporation sole would be considerably franker than the present set-up, in which what amounts to sole control is in existence, as the act appears to create a different situation. I have stated to the Senator several times that in my humble judgment after sitting at some length in the hearings, I am convinced that that is exactly what we have now, and we say frankly that we want such sole control in so many words in the proposed amendment. As the Senator has seen from just a few minutes' analysis of the bill, there is in S. 900 no effort at all to hide the fact, because it is stated within the first few lines of the bill itself that it is now proposed to give "supervision and direction of the Secretary of Agriculture," that is, above the functioning of the Board of Directors.

Mr. DONNELL. Mr. President, I shall not bother the Senator with but one further question, I trust.

Mr. HOLLAND. I yield.

Mr. DONNELL. I note the Senator returns to the comparison between the existing law and either the corporation sole or the proposed amendment. That was not my question. My question was as between the plan which I suggest, namely, the creation of the Secretary as a corporation, himself, under the name of Commodity Credit Corporation, perhaps, with power to sue. Would not that be a more frank and open method of drawing this statute than to create, as the amendment proposes, a board of directors with no actual power of direction whatever?

Mr. HOLLAND. My answer to the distinguished Senator is that it is not a whit more frank, because no student of the law and no layman can read the proposal without coming to the conclusion that the Board of Directors will be under the supervision and control of the Secretary of Agriculture. To complete my answer, I may say to the Senator that a sole corporation would be even more burdened with inefficiency than the present set-up, because the Secretary of Agriculture cannot in the very nature of things remain in Washington except for occasional periods of time. So that I call to the attention of the distinguished Senator that a sole corporation would be defeated as to its effectiveness before it was started.

Mr. DONNELL. One final question. I take it the Senator realizes that a sole corporation as well as the one proposed

in the amendment can act not only by its head but by its agents, likewise, it if is authorized so to do, in the charter. That is correct, is it not?

Mr. HOLLAND. I agree.

Mr. DONNELL. It would make it unnecessary for the Secretary of Agriculture to remain in Washington, D. C., every day in the year, would it not?

Mr. HOLLAND. I am simply making the point that the decisions which would devolve solely upon the Secretary of Agriculture, and would have to be made by him, could not be made except when he was here, whereas as the situation now is under S. 900, in his absence the Board can function, provided there is a majority of the Board here.

Mr. DONNELL. Mr. President, if I may interrogate the Senator further—provided their action shall agree with the general supervision and direction of the Secretary; is that correct?

Mr. HOLLAND. No; I will not make that exception—provided that their functioning may be superseded by him when he returns, but that so long as he is away, the Board is charged with the responsibility of operation of the Corporation, and if it were a sole corporation, the corporation would be without a head and without any policy-making power whatever in his absence. As the Senator, a distinguished attorney, knows, no agent could perform beyond the express power of his agency. There would be no policy-forming head available in Washington. I shall be interested to hear the observations of the Senator upon that point.

Mr. DONNELL. I may say to the Senator it is inconceivable to me that a corporation could not be created which could authorize its agents to act in the absence of the Secretary. Furthermore, I know of nothing that would require his physical attendance in Washington in order to formulate general policies of the Department. I thank the Senator, though, for his answers to my questions.

Mr. HOLLAND. I thank the Senator for his courtesy.

Mr. THOMAS of Oklahoma. Mr. President, I suggest that the first committee amendment be stated and considered.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. It is the first committee amendment, is it not, that is to be taken up?

The PRESIDING OFFICER. That is correct.

Mr. WHERRY. Is it the suggestion of the chairman of the committee that we start with the committee amendments and adopt them?

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. May I ask the Senator from Oklahoma, does he not think we should have a quorum call, inasmuch as Senators may desire to propose amend-

ments to the committee amendments as we go along?

Mr. THOMAS of Oklahoma. Yes. I have no objection to a quorum call.

Mr. WHERRY. Does the Senator from Oklahoma wish to suggest it?

Mr. THOMAS of Oklahoma. No.

Mr. WHERRY. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Anderson	Hoey	Mundt
Brewster	Holland	Murray
Butler	Ives	Myers
Byrd	Jenner	Neely
Connally	Johnson, Colo.	O'Mahoney
Donnell	Johnston, S. C.	Pepper
Eaton	Kerr	Russell
Ferguson	Kilgore	Saltonstall
Flanders	Knowland	Schoeppel
Frear	Long	Smith, Maine
Fulbright	McClellan	Smith, N. J.
George	McFarland	Sparkman
Gillette	McKellar	Stennis
Green	McMahon	Thomas, Okla.
Gurney	Magnuson	Thomas, Utah
Hayden	Malone	Thye
Hendrickson	Martin	Wherry
Hickenlooper	Maybank	Williams
Hill	Millikin	Young

The PRESIDING OFFICER. A quorum is present.

NATIONAL HEALTH INSURANCE PROGRAM—MESSAGE FROM THE PRESIDENT (S. DOC. NO. 59)

The PRESIDING OFFICER (Mr. SPARKMAN in the chair) laid before the Senate the following message from the President of the United States, which was subsequently read, referred to the Committee on Labor and Public Welfare, and ordered to be printed as a Senate document:

To the Congress of the United States:

In a special message to the Congress on November 19, 1945, and in a number of messages since that date, I have recommended the enactment of comprehensive legislation to improve the health of our people.

The issues involved in these recommendations have been debated all over the country—in Congressional hearings, in medical societies, and in public forums. Out of all this discussion has come a large measure of agreement. There has been increasing recognition of the need for positive, planned action to bring adequate health services within the reach of all our people. With respect to most of my recommendations, there is no longer any substantial difference of opinion.

Legislation has already been enacted which is helping substantially to provide better health services and medical care. For example, Federal funds are now being made available to help in building badly needed hospitals. The Federal Government's programs of medical research have been expanded. Additional grants have been made available to the States to aid in establishing and maintaining public-health services.

However, the action thus far taken falls far short of our goal of adequate medical care for all our citizens. If we are to deal with the problem realistically

and in its true dimensions, action is required on a broader scale.

We are in an era of startling medical progress. The technical resources available to the physician are tremendously greater than a generation ago. But to make these resources effective, he must use much more complicated, more exact equipment. He must turn to specialized laboratories and technicians for help. He must apply new techniques and must secure more effective drugs and appliances.

As a Nation we have not yet succeeded in making the benefits of these scientific advances available to all those who need them. The best hospitals, the finest research laboratories, and the most skillful physicians are of no value to those who cannot obtain their services.

Now that we have the medical knowledge that can bring good health within our reach to a degree heretofore undreamed of, we must improve the means for putting that knowledge to practical use. Good health is the foundation of a Nation's strength. It is also the foundation upon which a better standard of living can be built for individuals. To see that our people actually enjoy the good health that medical science knows how to provide is one of the great challenges to our democracy.

Our objective must be twofold: To make available enough medical services to go around, and to see that everybody has a chance to obtain those services. We cannot attain one part of that objective unless we attain the other as well.

Our needs are plain. We are, and shall be for some time, short of physicians, dentists, nurses, medical technicians, and public health workers. We need more hospitals and clinics. Medical personnel and facilities are unevenly located in relation to the need in different parts of the country—and are particularly deficient in rural areas. We need broader, better supported medical research. We need much more attention to preventive health care and more adequate public health service. Most of all, we need more widespread use of the modern method of paying for medical care through prepaid insurance.

There is, so far as I am aware, no longer any significant disagreement on these basic objectives. And there is general agreement that the financial problem is at the base of our difficulties.

My first recommendation is that the Congress enact legislation providing for a Nation-wide system of health insurance.

The traditional method of paying for medical care cannot meet the health needs of today. As medical education and practice have become better, they have become more specialized and at the same time more expensive. As treatment has become more expensive, families have found it more and more difficult to meet the extraordinary costs of accidents, serious illness, or major surgery. Thus, at the same time that our knowledge of how to provide medical care is at its highest point, more and more people are unable to afford it. It is no longer just the poor who are unable to pay for all the medical care they need—

such care is now beyond the means of all but the upper income groups.

This is an anomalous situation. It can and should be met through social insurance. Under such a system, regular contributions to the insurance fund will replace irregular, often overwhelming, family outlays for medical care.

Insurance against the costs of medical care has been growing rapidly in this country in recent years. This growth is proof that our people understand the advantages of health insurance and desire its extension.

Unfortunately, however, voluntary plans have proved inadequate to meet the need. Most voluntary plans give only very limited protection. While some 50,000,000 people now have some form of health insurance, this insurance usually provides only limited protection so far as hospitalization is concerned, and in most cases makes no provision at all for other medical services. Only three and one-half million of our people have insurance which provides anything approaching adequate health protection. Most serious of all, since rates in these voluntary plans are not adjusted to incomes, those who need protection most cannot afford to join.

The only fair and effective means to assure adequate medical care through insurance is to build on the pattern of our existing social-insurance plans. As in the case of those plans, we should seek to include as many persons as possible within the health-insurance system, so that more may benefit and costs can be more widely shared.

Health insurance is a method of paying for medical care. It will not require doctors to become employees of the Government. It will not disturb the freedom of doctors and hospitals to determine the nature and extent of treatment to be given. It will not interfere with the personal relationship between doctor and patient. Under such a plan, patients will remain free to choose their own doctors, and doctors will remain free to accept or reject patients. Moreover, patients, doctors, and hospitals will remain free to make their own arrangements for care outside the insurance system if they so choose.

The administration of the program should, of course, be decentralized to the greatest possible extent. It is also of the utmost importance that the quality of medical care be adequately safeguarded. Both these objectives can be accomplished in large measure by having the administration of the program in each locality guided by a local group in which the skills and judgment of local medical personnel are fully represented. Furthermore, the fullest possible use should be made of the medical schools and their faculties.

Health insurance will mean that proper medical care will be economically accessible to everyone covered by it, in the country as well as in the city, as a right and not as a medical dole.

It will mean that more people will obtain the preventive care which is so important, and that more people will be able to have better medical care. Thus, health insurance will provide an effective

demand for the additional doctors, nurses, and other medical personnel we need to improve our health. The provision of more doctors and medical personnel goes hand in hand with better arrangements for paying for their services.

My second recommendation, therefore, is that the Congress enact legislation to help medical schools expand. Special financial aid should be provided for the construction of teaching hospitals and other facilities and to help the schools cover the cost of larger enrollments. At the same time, scholarship aid should be provided for good students who might otherwise lack the means to undertake the long period of professional training.

Today we have about 190,000 active physicians, of whom 145,000 are in private practice. This is not enough. It represents only about 80 percent of the physicians we require. Unless we take prompt action to expand the medical schools, we shall be no better off 10 years from now. We face similar shortages with respect to dentists, nurses, and other professional medical personnel. Obviously, the facilities for professional education will have to be expanded if we are to provide adequate care for our growing population.

Health insurance will have another extremely important result so far as medical personnel are concerned. Since payment of doctors' and other fees will be assured by the insurance system, doctors will be able to practice where they are needed most, without sacrificing income—as too many doctors must now do in rural and low-income areas. Comprehensive health insurance will thus lead to a more equitable distribution of doctors over the country, and we will no longer have the situation where some counties have only 1 active physician for every 3,000 persons, while other counties have 5 or 6.

My third recommendation is that the Federal Government provide increased aid for the construction of hospitals and other medical facilities in communities where they are needed.

In many cases adequate medical treatment can be provided only in hospitals. Under present circumstances, hospitalization is often impossible, both because of the shortage of hospitals and because of inability of the patient to pay the costs of hospital care.

The enactment of health insurance will, of course, permit more of our people to obtain the hospital care they need. Thus health insurance will make it possible to support hospitals in communities where they could not now be supported. At the same time, it will make the present need for hospital construction even more urgent.

The present Federal Hospital Survey and Construction Act, enacted in 1946, represents an important step in a national program to provide more hospitals. Under this act, expiring in 1951, some funds are provided for the Government to contribute one-third of the construction costs of public and other nonprofit hospitals.

I recommend that the Congress extend the duration of this program, in-

crease the funds to be made available, and modify the program so that the Government's share will take account of the varying financial resources of different States.

Furthermore, the program should be broadened to include aid for the establishment of community health centers, diagnostic clinics, and group-practice clinics, all of which have proved in recent years to be very effective means of providing better medical care. This aid should be provided in the form of grants to help finance the construction and equipping of public and other nonprofit health centers and clinics, and in the form of Government guaranties of loans for the establishment of private facilities, similar to the mortgage guaranties the Government provides for private housing.

Closely related to these measures to increase the availability of private medical care are certain actions we should take to improve the public-health preventive and disease-control services, which are now inadequate in most areas and totally lacking in many.

At present the Government provides grants to assist State and local governments in preventing and controlling certain diseases, and to promote maternal and child-health services, services for crippled children, and general public-health activities.

My fourth recommendation is that the Congress increase the amount of the Federal grants for these activities, consolidate the existing separate grants insofar as possible, and provide for matching by the States adjusted to their differing financial resources.

Another essential step, if we are to continue to improve our medical-care system, is to continue to improve our medical research as more facilities and scientific personnel become available. The Government is already contributing substantially to the advance of medical knowledge by conferring fellowships for research in many specialized fields, by providing grants for research by public and nonprofit agencies, and through its own research activities. We must keep alert to every opportunity to add to the program of medical research through new scientific techniques, such as the use of the products of atomic energy, and through the wise and balanced expansion of research into diseases which have not so far been conquered.

These recommendations are inter-related parts of a comprehensive plan for improving the quality of medical care and making such care more completely available to our people. They present a sensible and realistic program of action, which complements my recommendations for extending and improving the Social Security System, including the provision of insurance against loss of workers' incomes during periods of sickness or disability.

We should lose no time in making a full-scale beginning on all parts of our health program. At the same time that we are putting health insurance into operation, we should be establishing the hospitals and clinics, and training the

medical personnel, that the insurance system will enable us to afford. We cannot, of course, achieve our goals fully until the system has been in operation for some time. That fact emphasizes the need for early legislative action.

Many people are concerned about the cost of a national health program. The truth is that it will save a great deal more than it costs. We are already paying about 4 percent of our national income for health care. More and better care can be obtained for this same amount of money under the program I am recommending. Furthermore we can and should invest additional amounts in an adequate health program—for the additional investment will more than pay for itself.

The real cost of our present inadequate medical care is not measured merely by doctors' bills and hospital bills. The real cost to society is in unnecessary human suffering and the yearly loss of hundreds of millions of productive working days. To the individual the real costs are the shattering of family budgets, the disruption of family life, the suffering and disabilities, the permanent physical impairments left by crippling diseases, and the deaths each year of tens of thousands of persons who might have lived. This is the price we are now paying for inadequate medical care.

It is plain common sense that we should not permit these needless costs to continue when we have it within our power to reduce them with a practical health program. Where there are differences remaining as to the details of the program we should not permit these differences to stand in the way of our going forward. They should be threshed out with honesty and tolerance, as is our democratic fashion. We should enact the best possible program and then all of us should get behind it to make it work.

We are striving in this country to see that the strength and flexibility of our political and economic institutions are used to bring the greatest possible good to our people. I consider this health program as part of that endeavor—to adjust to modern conditions without losing traditional values, to bring to the people of this country the full enjoyment of the benefits which our freedom makes possible.

HARRY S. TRUMAN.

THE WHITE HOUSE, April 22, 1949.

AMENDMENT OF COMMODITY CREDIT CORPORATION AND STRATEGIC STOCK PILING ACTS

The Senate resumed the consideration of the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The PRESIDING OFFICER. The clerk will state the first amendment of the committee.

The LEGISLATIVE CLERK. On page 2, line 1, after the words "Sec. 2", it is proposed to strike out "Section 4 (b)" and insert "Section 4 (h)."

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. WILLIAMS. Mr. President—

The PRESIDING OFFICER. The Senator from Delaware.

Mr. WHERRY. Mr. President, what was the announcement relative to the first amendment of the committee?

The PRESIDING OFFICER. That the clerk should state the first amendment of the committee.

Mr. WHERRY. I mean what the Presiding Officer said as to the amendment being agreed to.

The PRESIDING OFFICER. The Chair said "Without objection, the amendment is agreed to," but the Senator from Delaware was on his feet, and then the Chair recognized the Senator from Delaware.

Mr. GURNEY. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. GURNEY. I wish to propound a parliamentary inquiry. Is it not a fact that when the Chair announces that without objection an amendment is agreed to, that amendment is agreed to? Did the Chair not make that statement as to the first amendment of the committee?

The PRESIDING OFFICER. The Chair assumed that there was no objection, but the Senator from Delaware was on his feet, and the Chair does not know whether the purpose of the Senator from Delaware was to object or not. May the Chair ask the Senator from Delaware if he objects to agreeing to the first amendment of the committee?

Mr. WILLIAMS. Yes, I object.

The PRESIDING OFFICER. Then the amendment is not agreed to. The Senator from Delaware is recognized.

Mr. WILLIAMS. Mr. President, I had thought at first that the Senate could proceed and adopt the committee amendments, but I was advised by the Parliamentarian that my amendment pertained to the first amendment of the committee, so I thought it might be better to submit what few remarks I have to make before we voted on any committee amendment.

Mr. WHERRY. Did the Senator say that he expected to offer an amendment for the committee amendment?

Mr. WILLIAMS. The amendment which I propose to offer strikes out all that portion of the bill which would repeal the existing law pertaining to the board of directors, and the first committee amendment relates to that question. Therefore I would be in the position of opposing the first committee amendment. The second committee amendment I would favor, but the Parliamentarian thought it might be better if I would make my remarks before action on the committee amendments.

Mr. President, before proceeding with my remarks on the amendment, I should like to refer to a brief statement made in the previous discussion. The Senator from Oklahoma handed me the bulletin I have in my hand, which shows a pile of wheat out in the open air for which there was not sufficient storage space. We have heard much discussion about the lack of adequate storage facilities in this country. We have heard much as to who was responsible, but a great deal of the

responsibility has been placed against certain provisions in the law enacted by the Eightieth Congress.

I should like to point out to the Senate at this time that this condition is not altogether the responsibility, and could not be interpreted as being the responsibility of the Eightieth Congress. This bulletin is dated February 1 of this year, and this wheat is shown to be still out of storage.

Following the discussion in the recent political campaign, in which it was pointed out that the lack of adequate storage facilities was the responsibility of the Eightieth Congress, and was caused by our failure to adopt certain provisions, I wrote the Secretary of Agriculture on the 12th day of January as follows:

DEAR MR. SECRETARY: There has been considerable discussion in regard to the need for additional storage capacity for the Commodity Credit Corporation, and that this storage shortage was the result of a defect in the recent charter which was extended by the Eightieth Congress for the Corporation.

Proceeding, I said:

Will you please, therefore, advise me what section of the Commodity Credit Corporation's Charter prohibits the Corporation from providing additional storage facilities as required? If the present Commodity Credit Corporation Charter is defective in this respect, what recommendations would you consider adequate to correct the situation?

I was sure, after as much discussion as we heard during the political campaign, that the Secretary of Agriculture, who was leading the discussion, had all the answers, and as one of those who supported the bill at the last session of Congress with the understanding we were taking care of the needs of the Department of Agriculture I wanted to know what corrective legislation was necessary.

I might also mention the fact that every Democrat on the other side of the aisle voted with me for the extension of the Corporation Charter Act, so they, too, thought that we were giving the Corporation broad powers. The President of the United States signed the act and he did not say anything against it. It was only in the midst of the political campaign that they found the alleged defect in the act, and, lo and behold, it was the fault of the Republicans that such a defect existed in the act.

But on the 12th of January, 6 months after the act was passed, I addressed a letter to the Secretary of Agriculture asking him what his proposed solution was, and I received a reply from him dated the 18th of January as follows:

DEAR SENATOR: Reference is made to your letter of January 12, 1949, in which you ask what section in the Commodity Credit Corporation Charter Act prohibits Commodity Credit Corporation from providing additional storage facilities to meet the requirements of its program. The provisions of section 4 (h) of the Commodity Credit Corporation Charter Act (Public Law 806, 80th Cong.), quoted below, prevent the Corporation from effectively furnishing additional storage facilities for agricultural commodities under the Corporation's control. That section reads as follows: "(h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, serv-

icing, and transportation of the agricultural commodities subject to its control. Except as provided in section 16, the Corporation shall not have power to acquire or lease any such plant or facility or to acquire or lease real property or any interest therein, except that it may rent or lease office space necessary for the conduct of its business and it may continue to lease (by renewing or extending existing leases by entering into new leases) property leased by it on the date of the enactment of this act."

This Department has prepared a proposed amendment to the Commodity Credit Corporation Charter Act which is designed to correct the storage situation as well as correcting other difficulties experienced in connection with operations under Commodity Credit Corporation's new Federal charter. This suggested legislation is presently under discussion with the Bureau of the Budget.

I call attention to that. This is the 12th day of January, 6 months after they had made a great campaign issue out of this question. The Secretary of Agriculture was still holding discussions respecting this matter, and did not know what he wanted to do.

I continue to read:

We shall be glad to send you copies of the recommended legislation when these discussions have been concluded.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

As I said, Mr. President, this picture, which was presented to the Senate, of the need for additional storage facilities—a situation which I recognize, and in respect to which I believe perhaps they are correct, although I disagree with them as to who is responsible for the situation—was still in existence on February 1. But it was only on the 23d day of February of this year—that is 4 months after the election and over 8 months after the act had been passed—that the Secretary of Agriculture, who had been loud in his condemnation of the Eightieth Congress for what we had done, finally arrived at a decision as to what he thought would correct the situation.

That was in answer to my previous letter stating that he was sending to the committee at that time S. 900, which he felt would correct the situation, and which he was endorsing.

Mr. President, I ask unanimous consent that the letter of the Secretary of Agriculture addressed to me on the 23d day of February may be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF AGRICULTURE,
Washington, February 23, 1949.

HON. JOHN J. WILLIAMS,
United States Senate.

DEAR SENATOR WILLIAMS: Reference is made to your letter of January 12, 1949, and my reply of January 18, 1949. In your letter you asked what recommendations I would make as to changes in the Commodity Credit Corporation Charter Act. At that time the proposed changes were under discussion with the Bureau of the Budget. These discussions have now been terminated, and my recommendations for amendments to the Commodity Credit Corporation Charter Act are embodied in the bill introduced in the Senate as S. 900. It is my belief that the adoption of these amendments will adequately remove the difficulties discussed in our ex-

change of correspondence. Section 2 of the bill, amending section 4 (h) of the Charter Act, is directly concerned with the storage problem.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

Mr. WILLIAMS. Mr. President, I want to point out the fact that it was only on the 23d day of February of this year that the Secretary of Agriculture eventually decided what was wrong with the Commodity Credit Corporation Act. He was just as much in the dark as was every Member of the Congress, both Democrats and Republicans, all of whom unanimously supported the bill which was passed by the Eightieth Congress. They supported the conference report which included the provisions in question. I have no recollection that the present chairman of the Committee on Agriculture and Forestry opposed those provisions. I know I did not. I did not know that there was anything in the bill which made for any such situation as has been referred to, and frankly I do not think it did. If there was anyone who knew that there was anything wrong in the measure that was passed, and if any Member on either side of the aisle recognized defects in that act, I wish he would rise and make that statement now, because I wish the RECORD to be straight. I have no recollection of any Member of the Senate on either side of the aisle finding fault with the measure at the time of its passage. But in the midst of the campaign an excuse was needed to explain why sufficient storage facilities did not exist, and why the price of corn declined below the support level and not willing to assume responsibility for their own mistakes and seeking to gain political advantage they placed all the blame on the Republican Eightieth Congress.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. I do not believe anyone, either the Secretary or any of the men within the Department of Agriculture, had given a great deal of thought to the storage provisions, or to the storage situation throughout the land, until such time as the price of wheat on the cash or current daily wheat market dropped below the storage or the commodity loan price for that wheat. That took place in August. When it took place, it provided an opportunity for the charge to be made with respect to the act dealing with the Commodity Credit Corporation. The cash price of corn did not drop below the seal-up value or the commodity-loan value of that corn in October. When the price dropped below that point, it was then that it was possible to make the charge which was made, and it was then that the farmer, the producer, actually commenced to look for storage facilities in which to store his own. But insofar as wheat was concerned, the harvest had taken place, particularly in the Southwest, in Texas, Oklahoma, Kansas, Colorado, and Nebraska. Most of the wheat had gone through the regular channels of sales, and there had not been raised the question of storage, because the wheat was worth more on the cash daily

market than a commodity loan would have brought the producer.

Those, Mr. President, are the facts that entered into the question of why there had not been any criticism made concerning a restrictive measure that had been imposed by the agreement reached in the conference committee respecting what authority the Commodity Credit Corporation would have in obtaining storage facilities.

Mr. WILLIAMS. Mr. President, I think the Senator from Minnesota has stated the situation correctly. And as I intend to point out in my speech, that is exactly the position which I am taking. No one in Congress, no one in the Department of Agriculture, or no one anywhere found fault with the act until suddenly, when we had the largest corn and wheat crop we have ever had, the Department of Agriculture found itself in the midst of that crop completely unprepared to meet the situation and not knowing what to do with it, they were ready to put the blame on the Eightieth Congress.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. The only reason I made the statement I did, was to concur with the Senator from Delaware. I do not have a different opinion from his. I simply wish to place the facts in the RECORD. I heard absolutely nothing about hoarding of wheat until the price of wheat dropped below what the farmer could actually get for that commodity provided he made application for a commodity loan.

Mr. WILLIAMS. I thank the Senator from Minnesota. I recognized what he was trying to bring out. My point is, Why was the blame laid on the Eightieth Congress? Why was it said that the responsibility rested upon us, because we did not look into the future and see what the needs of the Department of Agriculture were? The Department itself did not see those needs until it got in the midst of the harvest period and prices begin to decline.

Mr. President, I shall quote from some speeches which were made during the campaign in which it was pointed out that during July and August wheat was being sold below the support price because of the lack of adequate facilities to store it. I ask this question. If that is true, if the Department of Agriculture knew it at the time Congress met in special session last summer, after Congress had been called back into session by the President, why did not the Secretary of Agriculture ask for corrective legislation? Why did he not ask us to correct the bill we had adopted, which all of us had passed in the best of faith, and which even the Department itself thought was adequate? The claim was made that in August farmers were selling wheat below the support price by reason of lack of storage facilities. Yet no mention was made of that lack of facilities while Congress was in special session. It was only after they decided to make it a political issue that the charge was made. I shall point out some facts in connection with the Department's

buying program to show that the Department exaggerated the situation.

During the recent months, particularly during the preelection period, the President of the United States, the Secretary of Agriculture, Mr. Charles Brannan, and other prominent officials identified with the administration have been rather loose with their charges against the Eightieth Congress and the Republican Party. They told the western farmers that their entire grain price-support program was jeopardized through lack of storage facilities of the Commodity Credit Corporation and that this shortage in storage facilities was the result of provisions incorporated in the Commodity Credit Corporation Charter Act, as passed by the Eightieth Congress.

Speaking before the Grain and Feed Dealers National Association at their annual convention in Chicago on October 2, 1948, the Secretary of Agriculture, who should have known what he was talking about, accused the Eightieth Congress of being responsible for the situation in which the Commodity Credit Corporation found itself, namely, a shortage of adequate grain storage facilities. He appealed to the grain trade for its help in providing storage space because the Government cannot step in. Mr. Brannan also said:

In the thirties, you will recall, the Government helped out through the construction of grain bins on the farms. But the last Congress put a crimp in that program.

Pointing to the need for additional grain storage space, Secretary Brannan said that even a "moment's reflection shows that terminal storage will soon fill up." Yet at the time we were in special session last summer the Secretary of Agriculture himself did not know anything about it.

President Truman himself made an issue of this question during the recent political campaign. The subject was discussed by him a number of times. First, at Dexter, Iowa, on September 18, 1948, in outlining his agricultural program, he said:

This Republican Congress has already stuck a pitchfork in the farmer's back.

They have already done their best to keep price supports from working.

Many growers have sold wheat this summer at less than the support price, because they could not find proper storage.

When the Democratic administration had to face this problem in the past, the Government set up grain bins all over the wheat and corn belts to provide storage.

Now the farmers need such grain bins again. But when the Republican Congress rewrote the charter of the Commodity Credit Corporation this year, there were certain lobbyists in Washington representing the speculative grain trade.

He did not include this in his speech, but I presume that when he spoke of the speculative grain trade he was referring to his pals Ed Pauley and Dr. Graham, both of whom admitted speculations. I do not know. They are the only prominent ones I can remember.

I continue to quote President Truman:

These big-business lobbyists and speculators persuaded the Congress not to provide storage bins for the farmers. They tied the hands of the administration. They are preventing us from setting up the storage bins

that you will need in order to get the support price for your grain. When farmers have to sell their wheat below the support price they have no place to store it, they can thank this same Republican Congress—the Congress that gave the speculative grain trade a rake-off at your expense.

Again at Danville, Ill., on October 12, 1948, the President devoted his entire speech to this subject. For the information of the Senate I quote from that speech:

The Commodity Credit Corporation under the Democratic Administration, developed a program to store grain when there were bumper crops, so that grain could be marketed over a longer period of time. This helped the farmer to get good, steady prices for his crops, and gave him encouragement to reap big crops. If it hadn't been for that encouragement, millions of people in the world would have starved to death.

Well, the grain speculators don't like this because they make their killings when the farm prices go up and down in a hurry.

Again I think he is referring to his pals Ed Pauley and Dr. Graham.

They don't care what happens to the farmers. The speculators have always exploited the farmer until the New Deal put an end to that speculation and exploitation.

He forgot to point out that some of the speculators were New Deal officials, but I think that might have been an oversight. Continuing, I quote the President:

So, the grain lobbies got Republican Jesse Wolcott of Michigan, and Republican Leo Allen right up here in Chicago, Ill., to lead the fight in the Eightieth Congress to change the charter of the Commodity Credit Corporation so that it could no longer secure storage space for bumper crops.

That was a plain sell-out to the lobbies by the Republican Eightieth Congress.

Well now, what happened? This year we had a bumper crop, and we have no place to put it. I was down in southern Illinois the other day, and corn down there in southern Illinois was selling for \$1 a bushel, and the support price of corn is \$1.47 a bushel. Now, who is getting that 47 cents? Not the farmer—not the farmer. The speculators are getting it because they prevented the ability to store that grain and give the farmers the benefit of the support price.

Farmers all over the country are being forced to dump their grain as distress grain, or let it rot on the ground, because the Commodity Credit Corporation no longer has the power to provide emergency storage space for bumper crops. That is the Republican program, pure and simple. The farmers cannot get the Government support price, because their crops are not in storage.

Not only was an issue made of this question during the recent political campaign, but the President of the United States deemed it of such vital importance that in his state of the Union message delivered before the joint session of Congress on January 5, 1949, he reemphasized this situation when he said:

The authority of the Commodity Credit Corporation to provide adequate storage space for crops should be restored.

That was on January 5, 1949; and I point out that it was not until February 23 that they finally arrived at what they think is a solution of the problem and today is April 22, 1949, and the bill has just been presented to the Senate for the first time.

In all of these statements made by the President of the United States, the Sec-

retary of Agriculture, and other New Deal campaign orators the impression was given that the Eightieth Congress was responsible for the situation under which the Commodity Credit Corporation found itself short of adequate grain storage facilities to take care of the bumper corn crop of 1948, and that this shortage in storage facilities was also responsible for the fact that corn was selling well below the support price during this pre-election period.

Let us get the record straight this afternoon, even if it is a little late. First, I want to say that this accusation against the Republican Eightieth Congress, charging the Eightieth Congress with responsibility for the situation last fall in which the Government found itself with inadequate grain-storage facilities, was a deliberate misrepresentation of the facts and wholly without foundation. I challenge any Member on the Democratic side of the aisle to produce evidence otherwise. I shall be glad to have it included in the RECORD. And will now yield to any Member who wishes to take exception.

At the same time I challenge the Department of Agriculture to make public the contents of a so-called highly confidential report, dated October 30, 1947, entitled "Grain Bins and Equipment Report" compiled by their own agents, which outlines the history of the entire grain-storage bin program. This report includes a complete record of the bungling and irresponsible manner under which the once adequate storage facilities of the Government have been declared surplus and sold for a small fraction of their replacement cost. Many of those bins were sold for purposes other than to supply grain-storage facilities for the farmers. The Secretary now claims that such facilities are essential, and asks us to restore them under this bill.

This report shows that at one time the Government owned over 292,000,000 bushels of storage capacity, or nearly double the amount of storage facilities they now claim is essential. This report, compiled by the agents of the Department of Agriculture, which they have refused to make public, notwithstanding the fact that they are now asking us to pass on legislation regarding this subject. This report places the responsibility for the present inadequate grain-storage facilities exactly where it belongs—directly upon the Department of Agriculture. To cover up the record of their own stupid operations, this report of October 30, 1947, entitled "Grain Bins and Equipment Report" has been withheld from both the Members of Congress and the American people and is still classed by the Department as highly confidential.

At this point I ask unanimous consent to have inserted in the RECORD the most recent letter, dated March 1, 1949, which I have received from Mr. Ralph Trigg, President of the Commodity Credit Corporation, denying my request for a copy of this report.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

MARCH 1, 1949.

HON. JOHN J. WILLIAMS,
United States Senate.

DEAR MR. WILLIAMS: Reference is made to your letter of January 26 to Mr. John E. Tripp requesting information concerning grain bins, as well as a copy of a statement submitted with a docket to the Board of Directors of the Commodity Credit Corporation.

The information requested by you was submitted in my letter of January 31, 1949. In view of the fact that the statement you requested was a part of an official docket of the Board, I was not at liberty to release this statement, but I assured you that I would discuss your request with the Board, and if approved, the statement would be forwarded to you.

The Board feels it advisable to continue the policy of considering docket material of a confidential nature. However, let us assure you that if you have any further questions that you would like to ask concerning grain bins or grain storage, please feel free to do so, and we will do our best to answer them.

Sincerely yours,

RALPH S. TRIGG,
President.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. Does he say in the letter why he refuses to make the report public?

Mr. WILLIAMS. I quote a portion of the letter:

The Board feels it advisable to continue the policy of considering docket material of a confidential nature.

In other words, I suppose it must be a little damaging. We hear a great deal about reports being concealed in the interest of national defense. Perhaps this could be classed as political defense. I do not know any other reason for the refusal to reveal it or consider it so highly confidential that its contents cannot be made available even to Members of Congress.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield to the Senator from Florida.

Mr. HOLLAND. The Senator from Florida would not like to get into a political discussion of any kind with the distinguished Senator from Delaware, but he would like to ask a question based upon the provision for a five-man advisory board which is contained in Senate bill 900.

Has the Senator noted that the five-man advisory board is to consist of outstanding citizens reflecting broad agricultural and business experience, to be appointed by the President of the United States, not more than three of whom shall belong to the same political party, so as to assure completely bipartisan—and even nonpartisan—supervision of the operations of this important Government agency at all times, in the event the proposed amendment should be enacted?

Mr. WILLIAMS. I intended to discuss that subject a little later. I would prefer to wait until I reach that point, to save repetition and the time of the Sen-

ate. However, let me say that I am not trying to make a political issue of this question. As to the political aspect, I have read two of the President's campaign speeches in which he discussed this situation. I read them word for word. If this is being made a political issue, it was made a political issue by the President of the United States.

Mr. HOLLAND. Mr. President, will the Senator yield, to permit me to make a brief statement? I must leave the Chamber soon.

Mr. WILLIAMS. Mr. President, I should like to accommodate the Senator from Florida, but I promised to try to complete my statement by a certain time, and I should prefer to do so.

The Department's withholding of the information contained in this report has proven to be a considerable handicap in my obtaining all the facts regarding its operations; but even without its assistance I have finally compiled a rather complete history of its operations, which I shall now present to the Senate.

The Commodity Credit Corporation claims today that it needs a minimum of 150,000,000 bushels of storage capacity to adequately take care of its support operations. It reports its present capacity as only 41,064,200 bushels, thus indicating a deficiency of 110,000,000 bushels. In reviewing its records, I find that at one time during recent years the Commodity Credit Corporation owned grain-storage facilities of double the amount which it now claims as essential, or to be exact, a total of 292,669,301 bushels, broken down as follows:

	Bushels
62,929 steel bins with a capacity of -----	136,410,000
78,437 wooden bins with a capacity of -----	156,259,301

Total storage capacity--- 292,669,301

After having obtained this record storage capacity of over 292,000,000 bushels, or double the amount which now is claimed to be essential, the Secretary of Agriculture decided to dispose of that storage capacity. New grain storage bins, several million bushels in capacity, were declared surplus and were sold for a fraction of their replacement cost. Many were sold as surplus without even being removed from their original crates.

At this point in my remarks, I ask unanimous consent to insert a chart showing a break-down of those sales.

The PRESIDING OFFICER. Is there objection?

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

Period sold	Number sold	Capacity sold
WOODEN BINS		
Miscellaneous sales for which actual dates can be obtained from Grain Bin and Equipment Report, dated Oct. 30, 1947-----	39,789	78,957,301
July 1, 1943 to July 1, 1944-----	8,541	17,082,000
July 1, 1944 to July 1, 1945-----	8,440	16,880,000
July 1, 1945 to July 1, 1946-----	18,424	36,848,000
July 1, 1946 to July 1, 1947-----	3,028	6,056,000
July 1, 1947 to July 1, 1948-----	209	418,000

Period sold	Number sold	Capacity sold
STEEL BINS		
Miscellaneous sales for which actual dates can be obtained from Grain Bin and Equipment Report, dated Oct. 30, 1947	27,594	57,947,400
July 1, 1946 to July 1, 1947	9,443	19,830,300
July 1, 1947 to May 31, 1948	5,150	10,925,700
May 31 to July 31, 1948	1,224	2,581,000
July 31 to Sept. 30, 1948	932	1,957,200
Sept. 30 to Nov. 30, 1948	719	1,509,900
Nov. 30 to Dec. 31, 1948	283	594,300
Total capacity grain bins sold		251,587,101

Mr. WILLIAMS. Mr. President, this report shows that out of a total of 78,437 wooden grain bins, all but 6 were disposed of prior to June 30, 1948—the date of the passage of the new and much criticized Commodity Credit Corporation Charter Act—and that during that period, the original holdings of 62,929 steel grain bins were reduced to a total of 17,584, leaving a remaining capacity of only 41,064,200 bushels.

I should also like to point out the fact that even during the time when the President in his campaign speeches in the Midwest was bewailing the fact that there were not adequate storage facilities, here in Washington the Corporation was still in the process of further liquidating their existing grain storage facilities, and actually was reducing the grain storage facilities as late as December 1948. The Corporation was selling them, on the one hand; and the President was bewailing the alleged fact that we did not have them, on the other hand.

It is reported that grain bins representing a total capacity of over 50,000,000 bushels were actually declared surplus and were sold for a fraction of the replacement cost, without even having been removed from their original crates. Many of these bins were sold for purposes other than to provide grain storage for the farmers.

If we examine that record, we see that over 250,000,000 bushels of grain storage capacity were disposed of, and that over 98 percent of that liquidation took place prior to June 30, 1948, the date of the passage of the much criticized Public Law 806, known as the Commodity Credit Corporation Act of 1948. The record is thus clear that the Eightieth Congress could not possibly be held responsible for the alleged shortage of grain storage facilities last year, since, as I have pointed out from records obtained from the Department of Agriculture, over 98 percent of the capacity disposed of was disposed of prior to the passage of the new act by the Eightieth Congress, and that liquidation process was never canceled until the beginning of this year, 1949. As near as I can tell, it was not canceled until inquiry was made in an effort to ascertain what the Corporation had been doing and until an accounting of the handling of the grain bins was requested.

Furthermore, there is no record anywhere to show that the Department of Agriculture had made any effort to buy or that it had even considered repur-

chasing any additional grain bins under its ample authority as contained in the old law which existed up to June 30, 1948. Any grain bins intended to be used during the year 1948 would of necessity have been purchased long before June 30, 1948, the date of the new act, in order to be delivered in time for use last fall.

As the Senator from Minnesota pointed out a while ago, the question had never been raised. No one in Congress had been made aware of the fact that additional storage facilities were needed. We were not supposed to know how much they had. The Department of Agriculture had never recognized the need, and, prior to the passage of the old act, was not even contemplating the purchase of storage bins, even though up to June 30, 1948, it actually had authority to buy all the bins it wanted to buy.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. THYE. Of course we were in special session; and if the Corporation was aware of any need for further storage facilities, that matter could have been called to the attention of Congress during the special session.

Mr. WILLIAMS. That is correct; and I think it is inexcusable that the Department of Agriculture did not direct attention to that situation if it did actually exist. I am not saying that the Corporation does not need additional storage facilities, and I am not opposing this bill today in respect to that power. I thought the Corporation had the power to do all that it wished to do, and that it had sufficient storage facilities, but that for some unexplained reason it had decided to get out of the storage business and to sell or otherwise dispose of the storage bins; and I do not know why it would suddenly change its mind during the election last fall.

Actually, during the midst of the political campaign last fall, at the same time when the Corporation was charging the Eightieth Congress with responsibility for its inadequate storage facilities, we find that the Department of Agriculture was still further reducing its existing capacity. Storage bins of over 4,000,000-bushel capacity were declared surplus, and were sold after June 30, 1948. There is not one clause in the 1948 act which required that further liquidation.

As further evidence that all the loose talk about inadequate storage facilities was merely a part of a planned political strategy, I call attention to section 5 (b) of the present act, as passed by the Eightieth Congress, which reads, as follows:

The Corporation is authorized to use its general powers only to—

* * * * *

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

During all the period in which the Commodity Credit Corporation has been lamenting its lack of authority to provide adequate grain-storage facilities to the farmers, we find that actually under section 5 (b) of the present act, it al-

ready holds ample authority to provide any number of storage bins for the farmers. The Corporation has authority, if it wishes to use its powers under the present law, to provide every farmer in America who will accept its assistance with enough grain-storage capacity to hold every bushel of grain produced last year.

Mr. SCHOEPPPEL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. SCHOEPPPEL. Did the Senator's investigation disclose that the Department did that at all?

Mr. WILLIAMS. I have no evidence of it, although I have not looked into that matter to any great extent.

There was nothing in the law as passed by the Eightieth Congress last year, and there is nothing in the law today, which would prevent this. The only restriction placed upon the Commodity Credit Corporation last year was that any additional grain storage bins must be delivered direct from the manufacturer to the farmer.

The Commodity Credit Corporation could have financed the entire transaction if they wished, or they could have subsidized any part of the cost, even to the extent of paying for the bins in their entirety and giving them outright to the farmers, if it had been their desire to do it.

Mr. FERGUSON. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield to the junior Senator from Michigan.

Mr. FERGUSON. I understand that on June 30 the Commodity Credit Corporation had certain storage bins in its possession. Is it the Senator's contention that under the wording of the act they were authorized to use those, and that, if more bins were needed, they could even have purchased more bins?

Mr. WILLIAMS. No. Under the old act they could have purchased additional storage facilities under their own name. Under the act as passed by Congress, they were restricted to a certain extent. As I say, perhaps that was unwise. That was a point that was not raised at the time. No objection was made to it. The restriction was that the Commodity Credit Corporation could not acquire additional storage facilities in its own name. The reason for that being adopted, and I think the real reason of its being adopted and approved by the Department of Agriculture at that time was, that at that time they were in the midst of a program under which they were going to liquidate their existing facilities. I frankly think they were in the process of liquidating their existing facilities, getting rid of them, but they suddenly decided it was unwise, that they had made a mistake. They were caught in a position where the farmers were forced to sell much of their grain under the support price, because of what was purely a mistake on the part of the Department of Agriculture and they were not willing to accept responsibility. As a result we were attacked politically. The blame was laid on the Eightieth Congress. They could have assisted the farmers in acquiring grain storage facilities under the

existing law, by financing a farmer and having the bins delivered directly from the manufacturer to the farmer.

Mr. FERGUSON. The bill would have authorized the storing of the same amount of grain whether the money were used to finance the purchase by the farmer, or whether it was purchased by the Corporation itself, would it not?

Mr. WILLIAMS. Certainly the result would have been the storage of the same amount of grain. It would have answered the purpose of the farmer, and that point would have become immaterial, although as I said I have no objection as to how they want to operate. I can see the necessity of additional grain storage, if we are to have the support program, and I frankly think the Corporation needs some additional storage facilities.

Mr. FERGUSON. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. Just a moment. But the thing I am criticizing is that the disposal of the once adequate facilities which they had was just plain dumb management. They should have kept those existing facilities as a reserve.

Mr. FERGUSON. Did they dispose of all of them?

Mr. WILLIAMS. All but a capacity of 41,000,000 bushels plus.

Mr. FERGUSON. What were they doing, and what are they doing with the facilities they now have?

Mr. WILLIAMS. I should like to repeat, the nearest I can find out is the statement that 41,064,200 bushels represents the existing capacity, which they report. But before yielding further, I should like to read into the RECORD a statement which the General Accounting Office made relative to their grain storage-bin program, which is very appropriate at this time. I will read that later.

Mr. THYE. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Minnesota.

Mr. THYE. One reason why no specific thought was given to the storage facilities that would be necessary in the late summer or fall of 1948 was primarily of course that there was so much talk about inflation, and there was likewise an inflationary situation that was upon us and has been for quite a number of years. For that reason, the current grain market was way above any parity or support price, and there was absolutely no movement of grain toward a commodity low, or to storage. For that reason, of course, the grain bins had been empty. They had been empty ever since the war demands had taken all the grain out of the temporary storage facilities that had been in existence and had been created during the surplus era which existed in the thirties, prior to World War II. The question was simply this: I have definitely said it previously, so it is not a mere political thought. The purchases by ERP or ECA offshore amounted to 129,000,000 bushels of wheat, and the equivalent of 22,000,000 bushels of ground wheat or flour, making a total of 151,000,000 bushels of

wheat. When that was purchased offshore, it lent itself to a softening of our grain markets. When the wheat market was softened by reason of the increased surpluses that were added to the high production of wheat for that particular year, it had its effect upon the corn market, upon oats, barley, and all other grains. That lent itself to a condition which softened the market so rapidly in those few weeks in the fall, that the first we knew, we came right out of what was considered an inflationary price situation, to a period when our grain prices dropped below parity, or below the support price, or the commodity loans. The then question was, Why had they restricted us in providing storage facilities? The Administrator of the Commodity Credit Corporation and the Secretary of Agriculture found it necessary, because they had not foreseen that we were going to come out of an inflationary situation into a low commodity price or grain price, to charge it to the amendments in the Commodity Credit Corporation Act itself, rather than to their inability to foresee what was going to occur in respect to grain prices in the fall of 1948.

Mr. WILLIAMS. The Senator from Minnesota is correct in that analysis. Another contributing factor was that the year prior, as the Senator will remember, we had a very poor corn crop, one of the smallest, almost a crop failure. The grain bins were not needed, and evidently the Department of Agriculture was so short-sighted that, having a crop failure in 1947, they figured the country would never produce another bumper crop, so they dismantled and sold their existing surplus storage facilities. When they woke up, in the middle of the next crop year, right in the harvest period, to find they did not have adequate storage facilities, they scrambled around to find somebody to blame for it. They found this little clause of the Commodity Credit Corporation Charter Act. I want to point out that had that clause not been in the act there would not possibly have been one additional storage bin on the farms of America last year. There is no one who can contradict that, for the reason that the Corporation did not discover the need of them until early in the fall. In order to get a storage bin, a steel bin, it is necessary to buy the steel, which must be shipped to the manufacturer. It takes a minimum of from 8 to 12 months to obtain delivery. Delivery of bins could not possibly have been obtained in time for use. Any storage bins that were to be used last fall would have necessitated the placing of an order in the early spring of last year, in order for them to have been delivered on time. They would have been ordered under the provisions of the old act, under which there was ample authority. That is proven by the Department. They admit that fact here today, and have admitted it for weeks, because they have been pointing it out repeatedly on the other side of the aisle. The Secretary of Agriculture has repeatedly pointed out the necessity for hasty action on the pending bill in order that he might have the bill enacted and ob-

tain the desired authority to buy the bins and to obtain delivery in time for use this fall. He is correct.

By that same token, it is an admission that he was wrong last year in not ordering them in the spring of 1948 and at which time he had ample authority.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. In just a moment. I want to read into the RECORD a statement which the Honorable Lindsay Warren the Comptroller General included in his report—the report which we had so much difficulty in getting, but which we finally got. Here is what he has to say regarding grain storage bins:

The Corporation did not exercise satisfactory control over its investments in fixed assets particularly grain bins and related equipment. Records were not maintained in such a way as enabled the Corporation (or us) to know the location or condition of such assets, whether, in fact, they were still owned by the Corporation, or whether all income resulting from rental or sales had been received.

In other words, according to the General Accounting Office, the Commodity Credit Corporation did not know how many grain bins it owned, or where they were located, and did not know whether it was collecting rent for them. It does not know where it is going. It is trying to lay the blame on us, and I think it is the responsibility of some of us to tell the Corporation what to do. That is the reason I am offering my amendment and opposing turning over the control of the Corporation to a man who sees nothing wrong with the situation who does not have the vision to foresee the need of American farmers, who sees nothing wrong with the Corporation's being out of balance approximately \$366,000,000, but who tries to pass it off by saying it is only a little over \$350,000,000.

Mr. President, at this time I ask unanimous consent to insert in the RECORD a memorandum which I received from Mr. Harker T. Stanton, assistant counsel of the Office of the Legislative Counsel of the United States Senate. He confirms the statement which I have just made, namely, that under section 5, the Corporation has power to assist farmers, through loans, subsidies, or other methods not involving the acquisition or lease of the bins in its own name.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

This response to your inquiry with respect to the power of Commodity Credit Corporation to assist farmers in obtaining grain bins.

The Corporation is fully authorized by its charter to render such assistance through loans, subsidies, or other methods not involving the acquisition or lease of the bins by it. It is authorized by section 5 (b) of its charter to make available facilities required in connection with the production and marketing of agricultural commodities, which would include grain bins. It is prohibited by section 4 (h) of its charter from acquiring or leasing storage facilities. It therefore can make grain bins available to farmers so long as it does not itself acquire or lease the bins.

In addition, there is no restriction upon the sale by it of bins acquired from its prede-

cessor, the Delaware corporation, under section 16 of its charter act.

Respectfully,

HARKER T. STANTON,
Assistant Counsel.

MARCH 16, 1949.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. WHERRY. Mr. President, after listening to the observations of the distinguished Senator from Delaware, am I to understand that one of the reasons why grain was not stored last year was because the Corporation felt that it did not have the broad authority to acquire bins?

Mr. WILLIAMS. That is what I gathered from the political speeches which were made. It is true, as I said before, that under the act we did restrict the authority of the Commodity Credit Corporation to acquire, in its own name, additional grain bins. The reason was plain. They were in the midst of a program under which they had operated for 3 years previously, of liquidating their existing facilities, had liquidated more than 90 percent, and were still liquidating. They did not abandon the program until December of last year.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. WILLIAMS. I yield.

Mr. WHERRY. Mr. President, I desire to ask the Senator from Delaware this question: In view of the statement just made, does the Senator remember the conference report which was adopted last July? Does the Senator remember the conference report itself, and has the Senator seen or heard of the report brought back by the Senator from Vermont [Mr. Aiken]?

Mr. WILLIAMS. I remember when it was brought back. I have no recollection of any Senator on either side of the aisle opposing or pointing out any features of the bill which were obnoxious to the Secretary of Agriculture.

Mr. WHERRY. Was there any question at all regarding the power of the Commodity Credit Corporation to acquire property and to provide for storage? I should like to point out the analysis made by the Senator from Vermont [Mr. Aiken] and ask the Senator from Delaware if he interprets it as I do. The Senator from Vermont stated that the act conferred powers on the Corporation to acquire property in any manner, and to hold or dispose of personal property as the Corporation deemed necessary in the conduct of its business.

If that analysis by the Senator from Vermont is correct, would not the act give the broad powers which the Corporation apparently stated were denied last fall, to have provided bins in which to store the grain of the farmers on which they could have borrowed money and not have sustained a loss?

Mr. WILLIAMS. That is the interpretation I put upon the report at the time. It is also the interpretation put upon it by, I think, every Member of the Senate. To my knowledge, not a single Senator had any idea of restricting the storage facilities of the Corporation. We

thought we were giving the Corporation what it wanted.

Mr. WHERRY. I should like to ask the distinguished Senator from Delaware, or the chairman of the committee, or any Senator who was a member of the committee if it is known who it was who helped to write that analysis. Was it a representative of the Department of Agriculture, or was it someone representing the Commodity Credit Corporation? Certainly it had to come from an attorney or some one else representing either the Commodity Credit Corporation or the Department of Agriculture. Does the Senator from Delaware know whether such a representative helped to prepare that report, or where the Senator from Vermont got the report?

Mr. WILLIAMS. I do not know. I do not recall any objections being made to the report. On the conference committee were members of both political parties. It was the duty of the conferees, of whom I was not one, and neither was the Senator from Nebraska, if there was anything important in the report which was far different from the bill as passed by the Senate, to bring it to our attention, because we passed the bill with the best intentions.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. WILLIAMS. I yield.

Mr. WHERRY. Does the Senator from Delaware remember that the Senator from Vermont made the statement that the Commodity Credit Corporation might purchase as many bins as it needed for sale or lease to farmers lacking storage capacity?

Mr. WILLIAMS. I do not remember the statement, but—

Mr. WHERRY. Does the Senator know whether such a statement was made?

Mr. WILLIAMS. I am sure the Senator has checked the record, and that the statement was made.

Mr. WHERRY. The statement was made. We were given to understand, when the bill was passed, that the Commodity Credit Corporation did have the broad authority to acquire personal property, to buy bins, and to permit grain to be stored upon the farms or wherever they chose. I am sorry the Senator from Vermont is not present. I should like to have him give a further explanation and a detailed report with reference to what the understanding was on the part of the conference committee and what we were led to believe would be accomplished.

Mr. WILLIAMS. I think the understanding of the Senator from Vermont is exactly as the Senator from Nebraska has stated it. I discussed it with him several times. He felt we were giving the Corporation ample authority. The legislative counsel even today says the Corporation has ample authority under the bill to provide storage facilities for farmers. The only difficulty is that they have now changed their minds and do not want to furnish the bins in the name of the farmers, but in the name of the Government. In other words, the Government wants to go into the storage

business. I hate to see the Government do it, but, on the other hand, I recognize the necessity for adequate storage facilities. I recognized it at that time and voted for the bill with the understanding from the Department that there were adequate storage facilities, and that no additional facilities were needed, and that those they would purchase from that time on they would purchase in the names of the farmers.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. WHERRY. I understand the distinguished Senator from Delaware is not opposed to storage facilities on farms or wherever the Commodity Credit Corporation feels they should be located in order to carry out the provisions of the act; is that correct?

Mr. WILLIAMS. That is correct and I shall support this provision, to restore their power to buy additional bins, but I want to point out in so doing the fact that we are rebuilding once adequate storage facilities it is going to cost several million dollars extra to the taxpayers, because in the program which was carried out they lost several million dollars in the disposal of the bins, and now we have to buy them all back. I want to be sure they will take care of them the next time we buy them. After we run into crop failure I do not want some bureaucrat here to decide we might never grow any more corn, and proceed to dispose of their bins.

Mr. WHERRY. Mr. President, I think this is very important, and I should like to ask one more question. Does the Senator from Delaware agree with the senior Senator from Nebraska in the statement he made this morning, that it is highly important that the farmers have these bins on the farms, so that they can borrow money on the corn, and then, if they choose to feed the corn or grain, do that?

Mr. WILLIAMS. I think that is a good solution.

Mr. WHERRY. Is it practical?

Mr. WILLIAMS. I think it is practical, and I think it is a good program, and I think it is the best answer to the problem.

I do not think we can place too much emphasis on the report, not my statement, but Lindsay Warren's statement, in which he called attention to the fact that the affairs of this Corporation are in such a condition today that they themselves do not know what they own, they do not know what condition it is in, they do not know the location of their grain storage bins, in fact, do not know what they are doing.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. BUTLER. I understood the Senator to say that the report by the Comptroller General indicated that this Corporation was short around \$366,000,000.

Mr. WILLIAMS. They indicate they are out of balance. When the Senator says "short," that is not exactly an accurate statement. I never accused them

of being short. When the accounting investigation which I hope the Senate will conduct has been completed, and all the answers are in, the Senator can stretch his imagination and say all the money will be there. He can stretch his imagination the other way and say it will all be short. But I am not trying to draw conclusions. All I say is that we have a corporation handling the taxpayers' money, which had \$366,000,000 of funds which they have spent and for which they cannot account. I say we want an accounting.

The Secretary of Agriculture says that he has handled several billion and has accounted for all but \$366,000,000, and seems to resent the fact that we want an accounting for the remainder. That is a little too farfetched for the Senator from Delaware.

Mr. BUTLER. Does not the Senator think \$366,000,000 is quite a sum for a corporation of any size to be unable to account for? I was also going to ask whether in his investigation the Senator may have formed an opinion that the shortage might have occurred on the assumption that the grain was worth a dollar a bushel, that they have lost 366,000,000 bushels of grain and could not find it. The grain is really worth about \$2 a bushel. They might not have lost 366,000,000 bushels of grain, but that is a pretty big item to lose track of. I was also going to ask the Senator if they might have lost track of some of the grain bins they owned before, and perhaps that is where some of the unaccounted-for funds disappeared.

Mr. WILLIAMS. I am glad of the Senator from Nebraska has raised that question, because it is often raised. In my opinion, from my study of the corporation, not 1 cent of this money can be accounted for in the manner the Senator has mentioned. That is a loss which can be determined. I am not speaking now of money they lost on grain bins or any other particular; I have in my files, which the Senator can see, the statement of the exact losses they sustained on the grain-bin program. I am not discussing that loss. I am discussing \$366,000,000 for which they cannot account. The Senator from Illinois suggested it might have been shipments which went across seas, but it could not have been that because when a ship is loaded with grain, if that ship is sunk, the manifest is on this side, and the records of the shipping company, if the corporation's records do not show the facts, would show what was loaded, because they have to collect their insurance, and the records are all available.

I should like to read a statement from the General Accounting Office describing their policies in general. I quote a part of the conclusions of the General Accounting Office as contained in the report:

The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express any opinion that the financial statements prepared by the corporation present fairly the financial position of the Commodity Credit Corporation and its affiliates, War Hemp Industries, Inc., at June 30, 1945,

or the results of their operations for the period ending on that date.

I would also like at this time to point out that this loss in the program is not the \$366,000,000 which we are discussing. Since the Senator has brought the subject up, we will discuss it. The Secretary of Agriculture has been claiming around the country that he has been making a little money on the program—that is, he has been giving that impression without exactly saying it in plain words. I shall read from his statement.

Mr. BUTLER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield.

Mr. BUTLER. Apparently, according to the Comptroller General, there is a shortage of around \$366,000,000. Is there anything in the reports the Senator has seen from the Comptroller General or from the Commodity Credit Corporation which indicates whether this shortage was of actual money, a loss in a money transaction, or was it a loss in inventory? Did they keep an accurate inventory and and lose track of it to the extent of \$366,000,000?

Mr. WILLIAMS. The report is very clear that they did not keep an accurate inventory. They did not themselves know what they owned. It took the General Accounting Office 4 years to make this report, and I am not criticizing them, because they did the best they could. They found the books in such a demoralized condition that it was impossible to reconcile their accounts.

Another interesting statement the GAO made which was rather significant was that they were handicapped in two particulars in making the report. The first was the lack of sufficient records, and they said they were also handicapped by the apparent lack of appreciation on the part of the management of their responsibility even to render an accounting to the American people. That to me is rather a damaging statement, for a Government corporation to feel that they are above rendering an accounting of the funds they expend.

I wish to continue regarding the cost of the operation, first, a statement made by the Secretary of Agriculture, Mr. Charles Brannan, in a speech made on October 1, 1948, in Chicago. I had the privilege of listening to that speech and was so interested I got a copy of it. He said:

The Government has not only lost nothing on the total of price supports during the past 15 years but has shown a net gain of \$250,000,000 on wheat, cotton, and corn.

In addition to that, the Department of Agriculture circulated bulletins throughout the country giving the impression that the Commodity Credit Corporation was making a profit on its operations. I shall read to the Senate a sample of some of the propaganda, taken from a bulletin widely circulated. This is a Department bulletin dated September 1948, which says:

Recent Government losses and expenditures that have the effect of supporting prices are extremely small in relation to cash farm income—too small to have any appreciable

effect on the inflation problem. Incidentally, Commodity Credit Corporation shows a lifetime profit rather than a loss.

I read another statement from the bulletin:

Support prices do cost some money sometimes, even though it is true that CCC at present has a lifetime profit rather than loss on this type of operation.

I read another statement from the same bulletin:

So far this discussion has centered chiefly on support prices of food commodities. Cotton and tobacco are basic agricultural commodities and the Department is also directed to support the price of wool. Support-price activities on recent crops of cotton have been minor and the net result of Commodity Credit Corporation price support and export operations from 1933 through June 30, 1948, has been a gain of about \$183,000,000.

The claim was made of a gain of a little over \$57,000,000 at the end of 1948, on the same basis.

From these quotations it is clear that it was the intention of the administration to give the American people the impression that in administering its agricultural programs through the CCC, it was actually making a profit for the taxpayers.

Knowing that these statements were false, I directed an inquiry to the Director of the Bureau of the Budget as follows:

Would you please furnish me the net results from a taxpayer's standpoint of the operations of the Commodity Credit Corporation since its inception in 1933 to the latest date you have available. It is not necessary that this information be broken down in any manner, since the only answer I am interested in at this time is the net profit or loss sustained by the Commodity Credit Corporation during its lifetime.

This is his reply:

In answer to your letter of February 1, 1949, the net loss sustained by the Commodity Credit Corporation from its organization on October 17, 1933, through December 31, 1948, was \$2,146,930,367.

In this same letter Mr. F. J. Lawton, Assistant Director of the Bureau of the Budget, pointed out that the above amount did not include \$1,743,960,803 which has been paid to the Commodity Credit Corporation since 1935 under section 32.

Thus instead of this corporation operating at a profit as has been reported by the administration, we find that it has actually sustained a loss to the American taxpayers of \$3,890,891,170.

At this point, I ask unanimous consent to have inserted in the RECORD a letter which I received from Mr. F. J. Lawton, Assistant Director, Bureau of the Budget, confirming the above figures.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET,
Washington, D. C. February 16, 1949.
HON. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILLIAMS: In confirmation of the telephone conversation with your

office relating to your letter of February 9, you are correct in your understanding that the \$2,146,930,367 designated as the loss sustained by the Commodity Credit Corporation from the date of its organization through December 31, 1948, does not include the \$1,743,960,803 mentioned in the second paragraph of our letter as expenditures under section 32.

Yours sincerely,

F. J. LAWTON,
Assistant Director.

Mr. WILLIAMS. The only way in which the Department of Agriculture can justify its statement that the Commodity Credit Corporation has, during its lifetime, operated at a profit is on the basis that it has counted as income the billions which have accrued to the Corporation either as direct appropriations or cancellation of notes. As proof of this statement I quote from the letter of explanation which I received from the Bureau of the Budget:

Because corporate funds have been replenished by Congressional appropriations, the records of the Corporation show a surplus of \$52,544,719 on December 31, 1948.

I call the discrepancies, relating to grain-storage facilities and the over-all costs of the agricultural program, to the attention of the Senate and the American people in order that when we consider the enactment of any new legislation we might have the true facts before us.

I think it is well for us to know these facts where the proponents of the measure before us today are proposing today to place in the hands of the Secretary of Agriculture such unlimited names. And a man who has given out such misleading information not only respecting the financial affairs of the Commodity Credit Corporation, but also their other operations. It is true the Corporation's activities were carried out in compliance with the acts of Congress, so I am not placing the entire blame for the loss of the Corporation upon them. But I insist those in charge are wrong in giving The American taxpayers the impression that they are making money on a program which is actually costing them millions of dollars. I say, let them tell the American taxpayers what their operations are costing and if they are worthwhile, we will continue them. If they are not worthwhile, we end them.

Mr. President, there are other reasons why corn prices sagged to a dollar a bushel in the pre-election period other than those of inadequate storage facilities.

Mr. DONNELL. Mr. President, before the Senator leaves the subject of inadequate storage facilities, will he yield to me?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Am I correct in my recollection that earlier this afternoon the Senator from Delaware said that the President had said that there were lobbyists down here, grain speculators, who were working on the committee or on the Senate, and produced this iniquitous result of which he was complaining?

Mr. WILLIAMS. That is correct. The President also charged the Members of the Eightieth Congress with selling out to these lobbyists, which is a rather seri-

ous charge for the President of the United States to make. It is a serious thing for him to charge that the Members of the Congress have sold out to the lobbyists.

I should like to emphasize the fact that the President was not only speaking of the Republicans as being those who sold out, but the Democrats as well; that all of us sold out to the grain lobbyists, according to the President.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Does the Senator from Delaware have the slightest knowledge of anything that even remotely approaches a sell out or any suspicious circumstances which would lead him to think that any Member of the Congress sold out to any of these speculators or lobbyists, to which reference was made in the President's observations?

Mr. WILLIAMS. None whatever. I might say that I have been in the grain business for 25 years, and if the lobbyists were going to approach any Member of the Senate, not to sell out to them, but to influence him, I think they would have come to me. I do not remember any agitation on the part of anybody or any concern expressed on the part of the grain industry as to the provisions in the law. We passed the law as it was approved by the committee. We passed it on the floor of the Senate unanimously. The conference report was agreed to. If any objections were raised to the conference report I did not hear any of them. The conferees on the part of the Senate brought back the report and said that the bill would take care of the situation, and every Member of the Senate present voted for it.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. In order to keep the record straight I think it should be said that the Commodity Credit Corporation bill passed the Senate 2 months before the end of the session. It passed the House 2 or 3 weeks before the end of the session. The House did not ask us for a conference until about midnight of the last night of the session. We had to do a lot of compromising. We would not have been able to pass the law otherwise. But I believe the grain-storage problem could have been taken care of under the provisions of the act as we passed it. Much of the political argument that was raised afterwards was unfounded. In fact I know of no wheat producer who did not receive price support for his grain. I do not know of a single instance where a wheat producer did not receive support for his wheat.

Mr. WILLIAMS. I think that is correct. I think the reason the prices sagged so low in the preelection period was the result of these speeches and false charges. It is not that they necessarily hurt the political future of some Members of Congress. That is a matter which is not too serious. Perhaps it would be better if a good many of us would never return. But I think it is serious to this extent, that the farmers have been taught to believe that when the administration

speaks it has the right to expect it to speak with some degree of truth. The President of the United States said there were inadequate storage facilities. He held out no encouragement for any improvement in the situation. The farmers became panicky and rushed in, sold their grain, and forced the market down and thereby took unnecessary losses. What I am going to point out now is that on the other side of the fence the support operations were not properly functioning, that the Government had pulled the plug from under the grain market. I shall place in the RECORD figures to show how they pulled from under the grain market week by week during the weeks preceeding the election, and how they stayed out of the market until it was too late to affect it before the election.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. YOUNG. Is it not true that \$350,000,000 worth of wheat was purchased in Canada alone by ECA? If that had been purchased in the United States we would not have any problem of price support today.

Mr. WILLIAMS. It would have helped a great deal. The Senator from Minnesota [Mr. THYE] raised the same question. I wonder if the Senator from North Dakota could supply the approximate dates of the period during which the purchases were going on. I am familiar with the transaction, but not with the dates.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield.

Mr. HICKENLOOPER. The Senator may be just a little severe on Secretary Brannan for his activities during the campaign period, and the fact that he was not attending to the grain support prices as much as he should have been. I believe the Secretary made approximately 80 political speeches during that period. I think the Senator should concede that any public official who is supposed to operate a Department on a nonpartisan basis in the interests of the economy of the country could hardly make 80 speeches in the short space of 6 weeks and attend to his business, which was to take care of the price supports for the American farmer.

Mr. WILLIAMS. The Senator is exactly correct and let's make sure that it cannot happen again.

Mr. HICKENLOOPER. Is not the Senator aware of the fact that during that period the Secretary of Agriculture, or at least those for whose actions he was responsible in the Department, was selling almost daily as surplus property grain storage bins, and then complaining about the Eightieth Congress not providing storage facilities? They were being sold as surplus property at a small fraction of what the Government paid for them.

Mr. WILLIAMS. They were being sold as surplus property; and according to the Comptroller General they do not know today what they have left, or where the facilities are.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Did the Senator from Delaware hear the radio program a few nights ago in which the Secretary of Agriculture, on the one hand, and the Senator from Minnesota [Mr. THYE] on the other, were debating certain farm matters?

Mr. WILLIAMS. No; I did not.

Mr. DONNELL. Then the Senator did not hear the statement by Secretary Brannan on that program?

Mr. WILLIAMS. No.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Does the Senator believe that in the investigation which is called for in the resolution which the Senator from Delaware and other Senators have presented to the Senate, it would be appropriate to bring the Secretary of Agriculture down here and ask him two things: First, the basis for telling the public that we were making money in the Commodity Credit Corporation when the facts show a loss of billions of dollars, and secondly, whether or not the remarks made in the radio program the other night, to the effect that during campaigns the remarks which are made are excusable—have any basis in truth and fact. Does the Senator think it would be appropriate in the investigation to ask the Secretary of Agriculture questions along those two lines?

Mr. WILLIAMS. Not only would it be appropriate, but I see no way to escape calling the Secretary of Agriculture before a Senate committee, because the Secretary of Agriculture has publicly stated that he can account for every dollar of the \$350,000,000. It is unfortunate that he did not tell the General Accounting Office that, so that it could clear the records and save us a great deal of work. The General Accounting Office says that he has not done it and cannot do it. But those accounts must be reconciled. If the Secretary of Agriculture can do it, let us give him an opportunity to do so. Let us call him down here and take up the items one by one. For example, I want to know why, in one regional office, \$18,500,000 was disbursed without recording it on the books. It is carried as "cash disbursements." I want to know who was in control of that regional office, who authorized payment of the money, and whether or not that man still holds a position of responsibility.

The significant part of this is that the Secretary of Agriculture says that the books balance, which is true. They balance by giving credit to these inaccuracies. But the General Accounting Office pointed out two rather significant items. One was a duplication of \$4,000,000, an overstatement. Another was a duplication in charges of over \$2,000,000. I can understand some errors in bookkeeping, human nature being what it is. But the most significant thing to me is that in spite of the errors the books still balance. In my opinion, those things do not just happen.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. DONNELL. Before making the inquiry, I asked the Senator whether or not he had heard the radio program to which I referred. The Senator said he had not. In view of that fact, perhaps I should not have asked the question. But assuming the fact that a radio program participated in a few nights ago by the Senator from Minnesota [Mr. THYE] and the Secretary of Agriculture disclosed, in substance, that the Secretary of Agriculture suggested that campaign remarks are to be taken lightly, does the Senator think it would be advisable to have the Secretary questioned along the line of his general views as to what are proper financial transactions and what are improper financial transactions in the conduct of his office?

Mr. WILLIAMS. I do. I also feel that the Government of the United States has a responsibility. I do not know how it can take care of it, but the Government of the United States is responsible for the loss which every farmer sustained in selling dollar corn during the preelection period, as a result of the inaccurate statements which were made. I think the farmers have a right to blame the Government for the money they lost. They have a right to hold the administration responsible for the losses they sustained in selling corn below the support price last fall, when it was the fault of the Secretary of Agriculture and the false information which he gave out. He should have been in a position to know better. I think that the farmers can hold the Department responsible. I am not so sure that they could not even sue the Department. I am not an attorney. I know that morally the Government is responsible.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. I should like to ask whether or not the Senator has had the privilege of reading the remarks of Secretary Brannan on the American Forum of the Air program on April 19, 1949.

Mr. DONNELL. Mr. President, if the Senator will permit me to interrupt, I may say that that is the program to which I referred.

Mr. BREWSTER. The date was April 19, 1949. The subject of the program was a discussion of the new farm program by Secretary Brannan and the Senator from Minnesota [Mr. THYE].

Mr. DONNELL. That is the program to which I referred.

Mr. BREWSTER. I hold in my hand a transcript of the program, as taken by an official reporter. I think it is extremely interesting and important, and should be part of the RECORD.

I read from the statement of the Senator from Minnesota [Mr. THYE] on page 11. In an interchange of courteous remarks with the Secretary he said:

We cannot become partisan. We never have been in the Senate committee, and we

shall not be from here on out. But when the thing has been done—

Referring to the action of the Senate last year—

I do not want to be hit below the belt. There were a couple of times last fall when I was ready to say, "Well, you hit pretty low, Mr. Secretary."

Secretary BRANNAN. If I did, I apologize to you. I did not intend to. That was a campaign [laughter]. I think there were some blows hit wherever they would land at that time.

Senator THYE. I usually try to keep above the belt in all my political blows as well as physical blows.

I take it that is the reference which the Senator from Missouri had in mind in his remarks.

Mr. DONNELL. Precisely. That is exactly what I had in mind.

Mr. BREWSTER. That is a most significant reminder of a certain famous remark once made by a candidate, who spoke of campaign oratory. The phrase "campaign oratory" was never permitted to die as long as he lived. It is a reminder that the remarks of public figures in a campaign are as fully subject to accountability as remarks as any other time. I could hardly credit my ears when Secretary Brannan passed off so easily some of the extreme comments which he made in the last campaign as simply "campaign"—meaning, I assume, that it was campaign oratory, which was not to be taken too seriously except by the American people, who apparently were influenced by what they thought was the sincerity of his remarks, which he now apparently treats rather lightly.

Mr. WILLIAMS. I thank the Senator from Maine for that contribution.

As I stated, Mr. President, inadequate storage facilities were not necessarily all the reason for the price drop. There was another angle to the price drop during the pre-election period, and I wish to point it out.

During the heat of the recent political campaign, while the President of the United States and officials of the Department of Agriculture were telling the farmers that their support program was wrecked, it was only natural for the farmers to become panicky and start dumping their grain on the markets, with the inevitable result that the price of corn sagged far below the support level. As the President himself pointed out on October 12, 1948, in his speech at Danville, Ill., at that time corn was selling as low as \$1 a bushel, or 47 cents below the support level; and at the same time, in the same speech, the President offered no encouragement to the American farmers that the price of corn ever would improve, but he said the low price was due to a law the Congress had passed; and he also said that since there was a shortage of adequate storage facilities, the farmers could not expect any correction of that situation by a change of that law until after January 1 of the next year; or that was the impression which was left with the farmers at that time.

In view of the fact that the Government was committed to a program to support the price of corn, the farmers of the Midwest might be interested in knowing just why during that preelection period the prices fell so far below the support level. I am sure they will be interested in knowing that the reason for that low price was, not inadequate storage facilities, as claimed by the administration, but, rather, the fact that the Government itself—intentionally or otherwise—was negligent in taking the proper steps to support the market. For instance, a review of the Government's operations in corn during the preelection period between the time of the President's speech which launched his Midwest campaign at Dexter, Iowa, on September 18, 1948, and election day, shows the following:

Commodity Credit Corporation's price-support operations in corn

	Under loan		Purchase agreements	
	Monthly	Cumulative	Monthly	Cumulative
As of—	Bushels	Bushels	Bushels	Bushels
Aug. 31, 1948.....	0	0	0	0
Sept. 30, 1948.....	0	0	0	0
Oct. 31, 1948.....	997,604	997,604	353,233	353,233
Nov. 30, 1948.....	26,162,652	27,140,256	4,068,199	4,421,432
Dec. 31, 1948.....	57,800,931	84,941,187	5,660,526	10,081,958

I point out that the Corporation has two methods which it may use. In one case, the Corporation puts the corn under loan. In the other, it proceeds by way of making purchase agreements.

In connection with the table of figures which I have just presented, I call attention to the fact that under its purchase agreements the Commodity Credit Corporation had procured before the election approximately a million and a quarter bushels of corn.

At that time the farmers were being told that the reason why no more corn could be put under loan or under purchase agreements was the claimed lack of adequate storage facilities, and that lack of adequate storage facilities was said to be the fault of the Eightieth Congress. However, it is interesting to note that in the month of November, following the election, the Corporation put under loan 26,162,652 bushels of corn, and put under purchase agreements 4,068,199 bushels of corn, or put a total of over 30,000,000 bushels of corn either under loan or under purchase agreements.

In December 1948 the Corporation put under loan 57,800,931 bushels of corn, and put under purchase agreements 5,660,526 bushels of corn—which made a total placed under the support program up to the end of the year of over 94,000,000 bushels of corn, of which only approximately one and one-quarter million bushels were placed under the support program before the election. I simply wish to point that out, not only to the Senate, but to the farmers who sold corn at below the support price.

From this chart it can readily be seen that the support program was not placed into full operation until after the election period. The argument that that

Commodity Credit Corporation purchases of corn for foreign supply program by weeks

Week ending—	Quantity (bushels)
Sept. 17, 1948.....	0
Sept. 24, 1948.....	0
Oct. 1, 1948.....	0
Oct. 7, 1948.....	0
Oct. 15, 1948.....	0
Oct. 22, 1948.....	0
Oct. 29, 1948.....	3,850,000

Notice of this latter purchase was not released until November 1, 1948.

Mr. President, I recognize that the foreign purchase program, the program for European aid, is not a relief program. Nevertheless, it should be carried out in a systematic manner.

We also find that the Commodity Credit Corporation's application of support operations were withheld, as follows:

was due to inadequate storage facilities, as claimed in the campaign, cannot be supported, in view of the fact that after the election was over the support program was placed into full operation without the addition of a single grain bin. The Corporation did not put the support program into effect until after it was too late to influence the market before the election.

Mr. President, as a grain dealer, I know that one of the arguments which can be made in support of that action was, that the corn carried too high a moisture content before the 1st of November to justify placing very much of it in storage. That is a reasonable argument; and the Senator from Nebraska [Mr. BUTLER], who also is familiar with the grain business, will agree with me as to that, I am sure.

Mr. BUTLER. Mr. President, does the Senator from Delaware mean to infer that the results on November 2 dried out the corn? [Laughter.]

Mr. WILLIAMS. They dried out something, certainly.

So, Mr. President, I am willing to admit that the delay in the application of the price-support program for corn could be attributed to a certain extent to the moisture in the corn. But I emphasize that if the moisture in the corn was the reason for that delay, then the persons who told the American farmers that the failure of the Corporation to engage in larger price-support operations in corn at that time was due to a lack of adequate storage facilities lied to the American farmers; because after the corn dried out, the Corporation put great quantities of corn under loan in November and in December, without the addition of a single storage bin, and that was done under the same law, without any change in it. Mr. President, I am will-

ing to accept either of the explanations; but, one way or the other, someone lied to the American farmers.

As I have said, from the chart I have already presented, it can readily be seen that the support program was not placed into full operation until after the election period. I have already called attention to other instances in which the operations of this Corporation have been conducted in such a manner as to deliberately influence the markets. During the commodity slump of last month, I pointed out to the Senate how during the week of February 4, 1949, the week of the big break in commodity prices, the Commodity Credit Corporation was found, according to its own books, to have actually reduced its corn purchases that week by a total of 93 percent below its purchases for the preceding week. But the Secretary of Agriculture, Mr. Brannan, again came before the Committee on Agriculture, and said that the Commodity Credit Corporation had made no material change in its purchases under the program. However, he did not mention corn in that connection, and did not say that the Corporation had pulled the floor out from under the corn market. Although I would not say he made a definite statement to this effect, yet he left the impression that the Corporation had been conducting its operations on an even keel, whereas in reality the Corporation had cut its corn-program activities that week by 93 percent.

Mr. President, last Monday, March 14, 1949, an article entitled "Commodity Prices Stage Come-back," written by John W. Ball, appeared in the Washington Post. At this point I ask unanimous consent to have a copy of Mr. Ball's article inserted in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COMMODITY PRICES STAGE COME-BACK

(By John W. Ball)

About a month ago the Nation was stirred by a break in commodity markets—grains going down on February 8 the full limit allowed in one day of trading, and livestock crashing into new recent lows.

Economists went into huddles, some of them wearing such dark glasses that all they could say was to repeat over and over: "This is it."

But gradually since February 8 prices have moved back to where they were. Some commodities have remained about the same.

Here in general are the recoveries made:

	Prices are for May futures unless noted	
	Feb. 8	Now
Wheat.....	\$2.06½	\$2.15½
Corn.....	1.16¾	1.31¾
Oats.....	.60¾	.67¼
Soybeans.....	2.11½	2.32¾
Cotton, pound.....	.31¾	.32½
Cottonseed oil, pound.....	1.1408	1.1453
Lard, 100 pounds.....	11.00	12.45
Butter, pound (March).....	.5905	.595
Eggs, dozen (October).....	.4565	.4725
Grease wool, pound.....	1.41½	1.34½
Wool tops.....	1.67	1.58
Choice steers, 100 pounds, Chicago.....	24.75	27.30
Hogs, choice, Chicago.....	20.00	22.25
Lambs, Chicago.....	24.60	28.75

¹ The highest price for choice lambs in March in history.

Of course these prices, in spite of the recovery, are far below recent tops; such as wheat at \$3.06 $\frac{3}{4}$ on November 28, 1947; corn at \$2.70 $\frac{3}{4}$ on January 16, 1948; cotton at 39 cents a pound; cattle at \$40 a hundred, and hogs at \$34.

A month ago the corridors of the Capitol were ringing with demands by farm bloc Congressmen that an investigation be made to discover speculators who, by selling short, had cleaned up in the breaking market.

Such an investigation was launched by the Commodity Exchange Authority. CEA discovered at once, that transactions had increased greatly in the week of the big break. But further probing has failed to unearth any spectacular maneuvering by short sellers. No speculator made the high profits on the short side this year such as were uncovered a year ago in the first big market break. Transactions increased because the longs were caught and had to sell.

Rumors are that a lot of small operators—many country elevator managers, etc., who ordinarily hedge their operations, took a whipping. In recent years failure to hedge by such dealers meant more profits for them, although it always is a dangerous operation for a grain dealer. Losses this year among such operators are reported to have been extremely widespread and extraordinarily heavy.

The extent of the peak in livestock prices was shown in the Bureau of Agricultural Economics livestock and meat situation report issued last night.

"In mid-February," it states, "prices of good grade steers at Chicago were about 40 percent lower than their record of last summer and the lowest in around 2 years.

"Prices of barrows and gilts were down about 35 percent and were nearly as low as at any time since price controls were removed. Prices of most other classes of livestock have declined less. Cows, bulls, and lower grades of steers have held up better in price than have better grade steers.

"Veal calves set a new record price in January."

As pointed out above, lamb prices are the highest in history for this time of year. The outlook is even more dismal. The Agriculture Department predicts the early lamb crop will be 6 percent below last year—the smallest on record. In addition, the sheep and lamb numbers in the country are at the lowest since the Civil War.

The meat supply will begin to better itself when hogs will first be marketed from last fall's larger pig crop. In addition, BAE states:

"This year there will be more beef of the better grades that come from grain-fed cattle, and more pork, but less of other kinds of meat."

Mr. WILLIAMS. Mr. President, this article points out how the prices of wheat and corn, along with the prices of other agricultural commodities, have increased substantially over the February 8, 1949, prices. What the writer of that article apparently did not know was that the comeback could be attributed to the fact that the Commodity Credit Corporation's purchases of wheat and corn for the week ending March 4, 1949—the week when the market came back—showed a 1,000 percent increase over its purchases for the week ending February 4, 1949. It is little wonder that in view of such haphazard buying practices, our commodity markets remain unsettled—when the Commodity Credit Corporation reduced its purchases one week by 93 percent, and then increased them by 1,000 percent a few weeks later.

Such actions presented a golden opportunity for someone on the inside to know when the Corporation was going to "pull the plugs" from under those markets and to know when the Corporation would put them back; and with that information, such persons could make a great deal of money. I do not say that has occurred; but that inference is left by the report of the General Accounting Office, which suggests that such has happened, and that it is deserving of investigation by the Senate.

Mr. President, I think we should insist that the purchasing program of the Commodity Credit Corporation be conducted so as to have the least possible effect on the markets, except of course the Corporation's support programs should be conducted in the normal fashion.

Certainly the time is long past when the control and operations of this giant corporation should be removed from the hands of the Secretary of Agriculture and should be placed in the hands of a capable board of directors, to whom Congress can look, and whom it can hold responsible for the activities of the Commodity Credit Corporation. Mr. President, it seems to me that we should at least have a board which will appreciate its responsibilities and will render an accounting to the American taxpayers. I shall oppose any move to place control of the board in the hands of the Secretary of Agriculture, who, as he has stated in his letter—which I shall discuss at a later time, in view of the lateness of the present hour—believes we should not get too much concerned about this matter when, as he has said, he has accounted for everything but a "mere" \$366,000,000.

Mr. JOHNSON of Colorado obtained the floor.

Mr. BREWSTER. Mr. President, will the Senator yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. BREWSTER. I wish to speak very briefly, if the Senator from Colorado will indulge me.

Mr. JOHNSON of Colorado. Very well.

THE VICE PRESIDENT'S NEW YORK SPEECH

Mr. BREWSTER. Mr. President, it seems to me we should not ignore certain utterances of recent days regarding the political aspects of a current campaign which seems to be in progress. The distinguished Vice President attended a Belshazzar feast in New York last night, one of the \$100 dinners. That is not the privilege of Republicans, apparently. The menu was not quite so elaborate as that of the recent feast in Washington. At least it was not given out, except that among the viands was file of mignon with appropriate wines and liquors. It was spelled "liquors." I do not take it that is Kentucky liquor, but some other kind of product. But, under the inspiration of that, the Vice President apparently saw handwriting on the wall which indicated that his party received a majority vote of the people in the last election; which, of course, was not in accordance with the facts as was

pointed out last evening, while he was speaking. It was but a minority, and there were practically 50 percent of the people who did not vote at all; which I think is, as I have frequently said, a reflection on us all.

But what interested me in his address, in the excerpt which I saw, was the suggestion that the Republican Party was still responsible for all the troubles of the Democrats. It appeared to me that the Democratic Party won the last election. I thought that was shown by the election returns, both as to the President and the Congress; and I supposed that was going to be the end of all our troubles. But, according to our distinguished Vice President, the Republicans are still in control, as he was not even sure that the program which had been presented and had received the mandate of the electorate, as he indicated, would be adopted, or when it would be adopted, if at all. It reminded me, in view of the attitude which is frequently taken on the other side toward the Republican minority of the Senate, of the story by Mark Twain of the prince and the pauper, which Senators may remember from their youth. When the young prince was able to find a playboy from the streets of London, they had a royal good time together; but whenever the prince violated the rules and regulations, the pauper was the one who got the spanking; from which developed the expression "spanking child." So the Republican Party seems to be the spanking child for all the difficulties of the Democratic Party.

If anything goes wrong in Washington, the Republicans are to blame. Certainly when we controlled the Congress there might have been some basis for an allegation that we had at least something to do with it, although we had a presidential veto to overcome in any action we took. But when we are in the minority, when the Democratic Party won the last election, with its overwhelming mandate as they say, we behold the spectacle of our distinguished Vice President going to New York. Evidently he felt it necessary to explain why nothing had been done, otherwise, I am sure he would have boasted of the Democratic achievements. But rather than that, he explained why nothing had been done, why he was even doubtful that anything would be done at this session. He was still hopeful that at least at some time later in the session, or at some session in the future still more remote, something would be done. Evidently it appeared that the public was beginning to ask questions.

We had 2 months of inaction at the beginning of the session, followed by 1 month of filibustering; for which I am sure they would not attribute responsibility to this side of the aisle. In recent episodes, by much labor, we finally brought forth a little legislation. All the difficulties and all the anguish is attributable to this little Republican minority, which apparently is to serve as a spanking child for all the sins and lack of rectitude of the prince of privilege who is now able to explain all

S. 900

IN THE SENATE OF THE UNITED STATES

APRIL 22 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself, Mr. FREAR, and Mr. HENDRICKSON) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, viz:

- 1 On page 2, line 11, strike out "cotton or tobacco" and
- 2 insert in lieu thereof "cotton, tobacco, or commodities cus-
- 3 tomarily stored in public refrigerated or general merchandise
- 4 warehouses".

AMENDMENT

Intended to be proposed by Mr. BUTLER (for himself, Mr. FREAR, and Mr. HENDRICKSON) to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

APRIL 22 (legislative day, APRIL 11), 1949

Ordered to lie on the table and to be printed

them in fighting the Communist push, would you not incline to the view that there is a guiding influence behind the scenes in the United States which pays little attention to Congress? You certainly would if you were to come across the column written by C. L. Sulzberger in the New York Times of February 21, 1949, headed "Wait and see China policy is defended in Washington," subheading, "State Department holds oriental nation must disintegrate before we take action." This article purported to give the views of those in the State Department whose views on China now prevail. The series of expressions of opinion contained therein serves the purposes of the Kremlin more skillfully than anything I have read in many months.

I am enclosing the article and suggest you study it immediately, first because as an American citizen and one who represents American citizens, you will be alarmed at it. Second, as a Member of the Senate, you will realize that the article purporting as it does to state American foreign policy on the subject of China, flatly contradicts everyone who voted for the passage of the aid-to-China bill last April 1948, which bill specifically stated the American policy to be:

"In the judgment of the committee, the Nationalist Government of China, led for 20 years through tremendous difficulties by the selfless patriotism of Generalissimo Chiang Kai-shek, represents our common contest against threats to international peace and security and against Communist aggression, and deserves support within our resources as proposed in this act. Further, the aid authorized by this act is tangible proof of American interest in the independence and integrity of China, in the welfare of the Chinese people, and in stabilized peace in the Far East."

This bill was signed by the President.

The whole article by Sulzberger reveals a technique on the part of his source that, if not Communist technique, is certainly as good as any I have ever read in my 30 years of observation of their tactics.

The cowardly statement contained in the sixth paragraph of the article reflects upon the courage of all Americans. Finally, the four long-range objectives laid down, especially Nos. 2, 3, and 4, indicate a desire or a tendency to go along with communism, which is in sharp contrast not only with the statement of American policy laid down by the Senate body last April, as quoted above, but also in even sharper contrast with the noble call to a crusade against communism announced by the President on January 20 and, finally, in contrast with the spirit of the North Atlantic Pact.

Moreover, the attitude of the State Department official interviewed by Mr. Sulzberger is in sharp contrast with the statement of the majority leader of the House of Representatives, Mr. JOHN W. MCCORMACK, of Massachusetts, on February 14, in which he said:

"We cannot let China become subject to Communist government.

"By the way, in my opinion, a coalition government of China is nothing but a Communist government, and I hope that the Nationalist Government will not capitulate in China. I hope China will not become subject to domination and become another satellite nation of the Soviet Union.

"This is a great question, the world question, the question of the ages. Its solution in the main rests with the United States of America."

And finally, this tendency on the part of the State Department spokesman to pave the way for conciliation and compromise with communism in China must be galling to the soul of great statesmen like TOM CONNALLY, the chairman of the Foreign Relations Committee of the Senate, and SAM RAYBURN, the indomitable Speaker of the House, in whose souls, hearts, and minds are firmly and indelibly written the traditions of the Alamo—

no compromise with or surrender to an evil enemy.

Bluntly, it looks to me as if someone in the State Department is trying to formulate foreign policy instead of, and in opposition to, the President and the Senate, although article II, section 2, of the Constitution, plainly indicates that that is the function of the President by and with the advice and consent of the Senate. This tendency of usurpation by the State Department division of the executive department of our Government should be abruptly halted.

There is one fact that should be faced frankly and without further delay; that there is no such thing as an honorable and just peace with the Communists especially within any divided political unit in which they have an interest. The silly, almost asinine (unless it be vicious and I say this advisedly) attitude on the part of some people in the State Department that we must wait until the dust settles is worthy of only one comment. The dust has settled—in their eyes! The truth is that there is not much time for us to delay in supporting 100 percent the opposition to communism in China. That opposition is typified by Generalissimo Chiang Kai-shek and the man who succeeded him when he retired, Acting President Li.

The vehemence with which the Communists have always attacked the generalissimo and now attack President Li should be a signal to us here in the United States that they are the ones the Communists fear most. These attacks by the way are not confined to the out-and-out Communists but are participated in by some of their sympathizers whose reports, skillfully written, find their way into American newspapers. The Communists, of course, have always hated Chiang Kai-shek since he drove them out in 1927. By 1937 China was well on the way toward prosperity and peace when the Japanese attacked. Even in spite of this set-back, the generalissimo kept the Communists under control until after that "awful thing" at Yalta happened. By the way, I think Mr. Alger Hiss was on the scene at Yalta!

Then came the skillfully arranged surrender of the Japanese Army to the Russians who used the arms and ammunition captured from the crack Japanese army to rearm the Chinese Communists. Shortly thereafter we started the policy of refusing to send to the Nationalist Government of China the small arms and ammunition which they needed so badly for an infantry army. Contrary to all the lies repeated, repeated, and repeated over the air and in the newspapers, there were no substantial shipments of small arms and ammunition from the United States to Nationalist China during the years 1946, 1947, and 1948, with the exception of the one substantial shipment in June 1947, and the few shipments made since October 1948. I stress this emphatically because in this failure to supply the Nationalist Government of China with the small arms and ammunition they needed so badly, lies the key to what is wrong in Washington and which, unless corrected, may be a very disturbing factor in the event of war with Russia. In plain language, there is something very dangerous in the State Department and I think it is up to the United States Senate to ferret it out. It is obvious that here have been thieves and traitors in the State Department during the past 10 years, but I refer to someone more skillful, someone who guides opinion of the executive into channels that help Communists and handicap or injure those who are fighting communism!

In spite of the published plans of the Communist International for the conquest of China (copies of which are on file in the United States Government files) the impression emanated from the State Department to the effect that the Chinese Communists were merely agrarian reformers. After Mao Tse-tung's victory this past fall, he announced

that he was in full agreement with Moscow. Yet, in an interview published by Sulzberger on February 21, referred to hereinbefore, a State Department official gave the impression that they think they can get along with the Communists in China. On March 19 the New York Times headline read "Chinese Reds Vow War Aid To Russia—Editorial Calls Stalin Leader of Peace Forces—Atlantic Pact Termed Provocative." In the newspapers of April 4, this alliance with Moscow was proclaimed in even stronger language by the Communist leaders of China.

The question arises—how much more evidence do our experts in foreign affairs need to have presented to them in order to know the score? The Chinese Reds are our enemies as much as any other Communists. They follow the party line obediently. The Nationalists are our friends. We need their help. Chiang Kai-shek and acting president Li are the central figures of the Nationalists. We must support them and the other Nationalists in their effort to stem the Communist advance in Asia. The time to act is now not after China, the rest of Asia, Japan, and the Philippines have gone to the enemy.

The great error that our legislators have made and the great error the rulers of all countries have made in fighting communism is, namely, they fail to understand and take into consideration the fact that communism is no more Russian than it is Polish, Chinese or American. It is an ideology which grips people of all nations, races and colors, but not of creeds (that is, not of people who actually believe in God and love their neighbors as themselves for the love of God.) The Communist ideology has split practically every nation on the face of the globe. The appearance of unanimity in Russia and other countries where the Communists have gained control of the machinery of government, including the army and their own peculiar secret police, is due, of course, only to the iron curtain which prevents the truth from getting out. There are millions of anti-Communists in Russia. By the same token there are many Communists in this country. I am afraid there are some in the State Department. I call upon the Senate to investigate thoroughly lest that fear be verified too late. This is not a witch-hunt any more than if a physician were examining a patient for cancer. The cancer exists somewhere in our governmental body. Let's find out where and operate!

Sincerely yours,

WILLIAM J. GOODWIN.

P. S.—How Henry Wallace must be laughing behind President Truman's back? Although Wallace was defeated, certainly he has had his way completely in the Chinese situation.

MRS. MARION T. SCHWARTZ

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendment of the Senate to the bill (H. R. 1169) for the relief of Mrs. Marion T. Schwartz, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. I move that the Senate insist upon its amendment, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Vice President appointed Mr. McCARRAN, Mr. O'CONOR, and Mr. WILEY conferees on the part of the Senate.

CARL E. LAWSON AND FIREMAN'S FUND INDEMNITY CO.

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement

to the amendments of the Senate to the bill (H. R. 1271) for the relief of Carl E. Lawson and Fireman's Fund Indemnity Co., and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. McCARRAN. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. McCARRAN, Mr. O'CONOR, and Mr. WILEY conferees on the part of the Senate.

AMENDMENT OF COMMODITY CREDIT CORPORATION AND STRATEGIC STOCK PILING ACTS

The Senate resumed the consideration of the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the first committee amendment.

Mr. SALTONSTALL. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of

my remarks a letter from Ralph S. Trigg, Administrator of the Production and Marketing Administration of the United States Department of Agriculture, dated April 22, 1949, together with the seven statements referred to in his letter.

There being no objection, the letter and statements were ordered to be printed in the RECORD, as follows:

UNITED STATES DEPARTMENT OF
AGRICULTURE, PRODUCTION AND
MARKETING ADMINISTRATION,
Washington, D. C., April 22, 1949.
Hon. LEVERETT SALTONSTALL,
United States Senate.

DEAR SENATOR SALTONSTALL: This refers to your letter of April 8, 1949, in which you request that certain dates submitted to you with our letter of September 22, 1948, be brought current.

Enclosed are the following statements which reflect the operations of the Commodity Credit Corporation in the various categories during the first 8 months of the fiscal year through February 28, 1949:

1. Statement of purchases and sales proceeds—by Commodity, all programs. These data include purchases and collateral acquired in settlement of loans under price-support programs and purchases under the foreign purchase and supply programs. Purchases by the United States Department of

Agriculture under the National School Lunch Act and section 32 of the act of August 24, 1935, as amended, are not included. Sales figures include domestic as well as export sales. Deliveries for export are shown in the separate tables below.

2. Sales to cash-paying foreign governments, as invoiced.

3. Transfers to the United States Army, as invoiced.

4. Transfers to Bizonia (formerly Joint U. S.-U. K. Bizonia), as invoiced.

5. Transfers to the Economic Cooperation Administration, as invoiced.

6. Transfers to miscellaneous relief agencies, as invoiced.

Except for minor adjustments to accounts related to prior period shipments there were no further transactions recorded under the Japanese-German Cotton, United States Foreign Relief, Greek-Turkish Aid, and Interim Foreign Aid programs and the data which were previously furnished you on such programs may be considered final.

Also enclosed is the Report of Financial Condition and Operations of the Commodity Credit Corporation as of February 28, 1949, on page 14 of which there appears a statement of the inventories held by the Corporation as of that date.

Very truly yours,

RALPH S. TRIGG,
Administrator.

Statement of purchases and sales proceeds by commodity, all programs, fiscal year 1949 through Feb. 28, 1949

Commodity	Unit of quantity	Value		Quantity	
		Purchases ¹	Sales	Purchases ¹	Sales
Ammonium nitrate.....	Ton.....	\$443,668.90	\$443,668.90	9,035.4	9,035.4
Animals, live.....	Head.....	388.54			
Barley.....	Bushel.....	23,723,271.56	24,170,010.51	16,108,027	15,745,433
Beans, garbanzos and lentils, dry.....	Pound.....	4,677,533.26	4,544,042.20	59,500,400	53,333,764
Coconut oil.....	do.....	182,005.82	184,043.67	748,633	748,633
Copra.....	do.....	11,095,403.70	11,217,126.55	99,212,282	99,212,282
Corn.....	Bushel.....	56,525,855.72	34,605,737.51	37,282,451	21,353,618
Cotton, American-Egyptian.....	Bale.....	6,903.48		32	
Cotton, upland.....	do.....	4,981,733.24	5,368,704.13	40,194	39,431
Eggs, dried.....	Pound.....	31,613,180.38	8,318,754.87	24,844,649	6,433,474
Eggs, liquid and frozen.....	do.....		12,567,338.49		35,812,748
Fats and oils (unclassified).....	do.....	326.10	30,464.53		165,537
Feeds and grains.....	Ton.....	154,188.88	156,258.97	2,248	2,265
Flax fiber.....	Pound.....	672,142.26	342,437.87	1,434,556	996,301
Flaxseed.....	Bushel.....	131,723,075.49	14,804,717.92	21,898,146	2,326,213
Flour, grits, meal and related products.....	Pound.....	74,988,789.82	83,971,304.80	1,475,579,534	1,611,473,101
Flour, potato.....	do.....	14,716,821.19	13,225,086.31	211,809,940	188,010,058
Fruits, dried or dehydrated:					
Apples.....	Pound.....	413,746.33	417,405.18	2,902,475	2,902,475
Apricots.....	do.....	1,103,730.13	1,127,074.04	5,608,990	5,608,990
Dates.....	do.....	133,149.33	135,172.91	1,502,500	1,501,825
Figs.....	do.....	1,238,647.41	1,249,816.94	15,024,639	15,024,639
Peaches.....	do.....	1,247,504.77	1,278,334.82	10,565,550	10,565,550
Prunes.....	do.....	9,164,772.52	7,728,848.63	104,373,470	82,650,140
Raisins.....	do.....	5,879,615.12	3,308,995.70	72,517,230	38,991,720
Grain sorghum.....	Hundredweight.....	18,461,337.38	17,569,011.82	6,997,678	6,557,518
Hemp fiber.....	Pound.....		305,725.80		1,292,448
Honey.....	do.....	742,959.66	272,546.96	5,837,068	5,837,068
Lard and other animal fats.....	do.....	1,008,691.00	1,196,687.18	5,525,152	6,109,596
Linseed.....	do.....		7,116.85		93,827
Linseed oil.....	do.....	22,425,117.25	2,657,014.26	83,423,569	9,229,774
Macaroni, vermicelli and similar pastes.....	do.....	39,550.00	41,579.53	400,000	399,920
Meat, canned.....	do.....	27,398,750.27	4,168,204.17	99,135,810	14,292,201
Milk, dried.....	do.....	18,002,378.96	20,329,151.70	105,902,943	112,095,482
Milk, fluid (evaporated).....	do.....	7,208,105.25	7,964,435.64	57,475,174	59,068,663
Milk products.....	do.....	71,111.15	47,616.62	625,680	368,080
Molasses and sirup.....	do.....	22,970.00	24,378.14	386,750	386,735
Naval stores—turpentine.....	Gallon.....		296,579.62		754,850
Oats.....	Bushel.....	3,447,799.70	2,573,531.16	4,308,638	2,759,482
Oilseeds.....	Pound.....		1,567.38		
Palm kernels.....	do.....	659,689.80	659,976.78	6,539,546	6,539,546
Peanuts.....	do.....	104,587,945.20	61,719,657.23	778,695,588	481,476,851
Peas, dried.....	do.....	1,687,281.99	625,202.14	28,827,200	9,870,900
Potatoes:					
Irish.....	Hundredweight.....	130,336,045.86	15,582,020.83	63,903,874	52,020,363
Seed.....	Pound.....	97.28	131.07	1,566	1,571
Sweet.....	Hundredweight.....	233,831.21	293,756.04	76,972	76,555
Rapeseed.....	Pound.....	458,763.75	458,940.30	4,693,450	4,693,450
Rapeseed meal.....	do.....	155,736.05	155,736.05	4,843,300	4,843,300
Rapeseed oil.....	do.....	324,415.00	319,095.82	1,579,760	1,579,760
Rice.....	do.....	22,518,847.10	23,675,649.04	302,864,952	302,862,552
Rye.....	Bushel.....	5,395,964.60	3,694,114.37	3,017,068	1,898,342
Seeds:					
Field.....	Pound.....	8,550,594.92	8,556,371.55	27,104,601	25,954,967
Hay and pasture.....	do.....		264,493.72		7,229,569
Vegetable.....	do.....	2,585,064.12	2,614,900.53	20,699,109	19,708,413
Winter cover crop.....	do.....		2,358,713.45		33,195,774
Sesame seed.....	do.....	996,200.46	996,630.99	6,808,386	6,808,386
Soybeans.....	Bushel.....	9,345,877.73	4,992,348.12	3,609,855	1,863,341

Footnotes at end of table.

Statement of purchases and sales proceeds by commodity, all programs, fiscal year 1949 through Feb. 28, 1949—Continued

Commodity	Unit of quantity	Value		Quantity	
		Purchases ¹	Sales	Purchases ¹	Sales
Soybean oil.....	Pound.....	\$964,011.77	\$1,348,596.16	5,640,625	6,145,536
Sugar.....	do.....	50,669,750.66	50,736,105.26	1,229,397,578	1,229,397,578
Tung oil.....	do.....	178,066.55	1,697,522.83	713,331	7,467,610
Vegetable oils.....	do.....	1,389,233.33	1,228,135.08	5,816,675	4,877,509
Wheat.....	Bushel.....	521,167,317.97	541,646,080.39	226,564,337	218,686,670
Wool.....	Pound.....	37,719,280.96	60,302,450.71	48,261,087	107,590,831
Miscellaneous.....	do.....		² -64,185.93		3,685
Total.....		1,368,437,753.05	1,065,509,800.05		

¹ Purchases include collateral acquired in settlement of loans.
² Deduct. Prior-year adjustment.

Sales to cash-paying foreign governments
invoiced during the fiscal year 1949 through
Feb. 28, 1949

Country and commodity	Pounds	Dollars
Arabia: Wheat.....	26,879,940	1,178,220
Belgium: Wheat.....	190,748,160	8,100,906
Egypt: Wheat.....	142,695,600	6,076,552
India:		
Wheat.....	869,429,040	35,649,973
Grain sorghums.....	204,962,240	5,193,938
Total.....	1,074,391,280	40,843,911
Ireland: Wheat.....	72,350,880	3,086,984
Israel:		
Flour.....	3,057,100	158,574
Wheat.....	31,281,180	1,438,286
Total.....	34,338,280	1,596,860
Portugal: Wheat.....	306,179,640	12,820,389
Union of South Africa:		
Wheat.....	60,479,220	2,494,198
Burlap bags.....	1,008,000	252,655
Total.....	61,487,220	2,746,853
Peru: Wheat.....	39,366,000	1,635,481
Switzerland: Wheat.....	400,137,960	17,010,138
Summary by commodity, for all countries:		
Wheat.....	2,133,547,620	89,491,127
Grain sorghums.....	204,962,240	5,193,938
Flour.....	3,057,100	158,574
Burlap bags.....	1,008,000	252,655
Total.....	2,348,574,960	95,096,294

Transfers to the U. S. Army, as invoiced
during fiscal year 1949, through Feb. 28,
1949

Commodity	Pounds	Dollars
Rice.....	24,312,314	1,967,131
Soybeans.....	34,817,880	1,501,116
Wheat.....	1,697,432,280	67,278,811
Corn.....	170,877,896	5,004,410
Sugar.....	456,124,463	19,193,085
Soybean oil.....	1,112,038	253,245
Flour.....	612,273,236	32,282,332
Flaxseed.....	7,821,451	843,398
Barley.....	542,724,816	17,477,375
Grain sorghum.....	80,640,000	2,500,874
Copra.....	13,171,200	1,434,600
Linseed oil.....	128,026	38,083
Tung oil.....	3,110,493	716,941
Milk powder.....	11,303,091	1,787,324
Dried whey.....	272,080	35,617
Peanuts, shelled.....	25,546,061	4,071,674
Seed, sweetpotatoes.....	2,070,000	53,250
Beans, dry.....	4,713,200	405,656
Rye.....	999,992	35,892
Meat and gravy (Mexi- can).....	939,138	270,789
Total.....	3,690,389,655	157,151,608

Transfers to bizonia ¹ invoiced during fiscal
year 1949 through Feb. 28, 1949 ²

Commodity	Pounds	Dollars
Milk powder.....	38,528,101	6,233,505
Soybean oil:		
Refined.....	364,904	91,284
Crude.....	2,262,810	517,699
Peanuts.....	67,380,019	10,798,883

Footnotes at end of table.

year 1949, through Feb. 28, 1949 ²—Con.
Transfers to bizonia ¹ invoiced during fiscal

Commodity	Pounds	Dollars
Dried fruits.....	115,387,864	8,216,865
Potato flour.....	169,348,642	12,035,537
Beans, dry.....	10,299,600	880,050
Barley.....	41,318,688	1,436,063
Corn.....	360,529,176	10,465,199
Rye.....	14,000,000	452,035
Wheat.....	4,475,258,280	187,249,236
Grain sorghums.....	181,440,000	5,244,205
Flour.....	458,103,226	24,321,003
Seed, field.....	19,540,317	3,115,590
Beef and gravy.....	6,407,601	1,871,924
Lard.....	393,096	97,568
Sugar.....	632,507,773	26,052,641
Honey.....	5,837,068	368,813
Seed, vegetable.....	4,576,671	1,347,497
Total.....	6,601,483,836	300,795,597

¹ Formerly joint United States-United Kingdom
bizonia.
² Wholly U. S. Army financed during this period.

Transfers to the Economic Cooperation Ad-
ministration program, as invoiced during
the fiscal year 1949, through Feb. 28, 1949

Destination and com- modity	Pounds	Dollars
Austria:		
Wheat.....	642,955,863	26,914,214
Wheat flour.....	155,906,985	8,244,208
Rye.....	70,166,245	2,485,437
Corn.....	32,480,000	1,947,351
Barley.....	37,556,347	1,176,181
Rice.....	6,607,600	527,554
Soybean oil.....	6,379,950	1,561,742
Linseed oil.....	430,066	130,106
Peanuts.....	45,933,097	7,284,646
Copra.....	9,549,120	1,023,957
Palm kernels.....	3,424,512	347,567
Sesame seed (for crushing).....	4,603,786	703,431
Sugar.....	139,169,195	5,664,937
Honey.....	386,750	24,623
Horsemeat (canned).....	540,390	75,469
Milk, dried.....	1,116,675	176,385
Eggs:		
Dried.....	2,257,054	188,836
Frozen.....	20,943,520	3,571,555
Seed, field.....	5,826,180	609,612
Beans.....	5,609,400	485,476
Peas.....	2,060,000	134,691
Fruits, dried.....	5,654,880	383,455
Undistributed ex- pense.....		67,675
Total deliveries, Austria.....	1,199,557,615	62,729,108
Prior period adjust- ment: Cotton.....		-3,030
Adjusted deliveries.....	1,199,557,615	62,726,078
Belgium:		
Wheat.....	371,125,933	15,779,407
Eggs, frozen.....	1,102,320	192,079
Total, Belgium.....	372,228,253	15,971,486
China:		
Wheat.....	161,205,300	8,530,892
Wheat flour.....	78,492,950	2,650,845
Rice.....	253,444,128	20,111,533
Undistributed ex- pense.....		43,823
Total, China.....	493,142,378	31,337,093
Denmark: Corn.....	25,620,000	751,811

Transfers to the Economic Cooperation Ad-
ministration program, etc.—Continued

Destination and com- modity	Pounds	Dollars
France:		
Wheat.....	241,363,499	10,356,121
Linseed oil.....	6,629,301	1,889,494
Tung oil.....	2,204,656	532,961
Peanuts.....	35,557,256	5,739,586
Palm kernels.....	689,974	69,585
Undistributed expense.....		87,707
Total deliveries, France.....	286,444,686	18,675,454
Prior period adjust- ments: Wheat flour.....		-78,884
Adjusted deliv- eries.....	286,444,686	18,596,570
Germany—bizonia:		
Grain sorghums.....	188,709,600	4,768,071
Corn.....	405,049,944	11,767,035
Oats.....	88,303,430	2,585,258
Barley.....	88,207,094	2,759,117
Linseed oil.....	1,181,667	350,252
Soybeans.....	76,943,621	3,541,997
Peanuts.....	75,113,248	12,013,823
Copra.....	60,046,124	7,004,618
Rapeseed meal.....	3,443,300	111,823
Total Germany-bl- zonia.....	986,998,028	44,901,994
Germany—French zone:		
Wheat.....	442,988,960	18,460,704
Graham flour.....	85,570,700	3,915,887
Beans.....	5,920,000	512,358
Peas.....	4,491,300	289,535
Total, Germany- French zone.....	538,970,960	23,178,484
Great Britain: Eggs, fro- zen.....	6,999,780	1,331,157
Greece:		
Wheat.....	520,699,284	21,665,736
Wheat flour.....	151,214,660	7,944,644
Corn.....	20,160,000	565,545
Barley.....	18,936,520	588,740
Linseed oil.....	860,714	256,803
Milk, evaporated.....	37,668,711	5,160,207
Undistributed ex- pense.....		74,365
Total, Greece.....	749,539,889	36,254,040
Ireland: Barley.....	3,494,400	102,394
Italy:		
Wheat.....	1,131,259,503	47,092,469
Wheat flour.....	19,985,300	1,042,178
Tallow, inedible.....	1,664,725	281,951
Copra.....	6,720,000	874,723
Undistributed ex- pense.....		17,650
Total, Italy.....	1,159,629,528	49,308,976
Netherlands: Wheat.....	639,906,880	26,668,517
Norway: Wheat.....	234,470,363	9,789,771
Trieste:		
Wheat.....	42,000,000	1,750,993
Wheat flour.....	19,921,113	1,057,590
Fatty acids (from tallow).....	165,537	30,712
Tallow, inedible.....	220,040	35,294
Soybean oil, crude.....	197,490	40,673
Coconut oil.....	748,633	185,884
Peanuts.....	2,950,263	474,436
Meats, canned (Mexi- can beef).....	342,000	100,235
Milk, evaporated.....	5,563,780	743,514
Undistributed ex- pense.....		18,605
Total, Trieste.....	72,108,856	4,437,936

Transfers to the Economic Cooperation Administration program, etc.—Continued

Destination and commodity	Pounds	Dollars
All destinations combined:		
Wheat	4,427,975,585	187,008,824
Wheat flour	425,521,008	20,939,465
Graham flour	85,570,700	3,915,887
Rye	70,166,245	2,485,437
Corn	483,309,944	14,031,742
Grain sorghums	188,709,600	4,768,071
Oats	88,303,430	2,585,258
Barley	148,194,361	4,624,432
Rice	260,051,728	20,639,087
Fatty acids (from tallow)	165,537	30,712
Tallow, inedible	1,884,765	317,245
Soybean oil	6,577,440	1,602,415
Linseed oil	9,101,748	2,626,655
Coconut oil	748,633	185,884
Tung oil	2,204,656	532,961
Soybeans	76,943,621	3,541,997
Peanuts	159,553,864	25,512,491
Copra	76,315,244	8,903,303
Palm kernels	4,114,486	417,152
Sesame seed (for crushing)	4,603,786	703,431
Rapeseed meal	3,443,300	111,823
Sugar	139,169,195	5,664,937
Honey	386,750	24,623

Transfers to the Economic Cooperation Administration program, etc.—Continued

Destination and commodity	Pounds	Dollars
All destinations combined—Continued		
Horsemeat, canned	540,390	75,469
Other canned meats (Mexican beef)	342,000	100,235
Milk:		
Evaporated	43,232,491	5,903,721
Dried	1,116,675	176,385
Eggs:		
Dried	2,257,054	188,836
Frozen	29,045,620	5,094,791
Seeds, field	5,826,180	609,612
Beans	11,529,400	997,834
Peas	6,551,300	424,226
Dried fruit	5,654,880	383,455
Undistributed expense		309,825
Total deliveries	6,769,111,616	325,438,221
Prior period adjustments:		
Wheat flour		-78,884
Cotton		-3,030
Adjusted deliveries	6,769,111,616	325,356,307

Transfers to miscellaneous relief agencies, as invoiced during fiscal year 1949, through Feb. 28, 1949

	Pounds	Dollars
International Children's Emergency Fund:		
Milk, dried	60,884,551	11,983,348
Cotton	5,249,874	2,016,972
Lard	2,993,424	648,238
Total	69,127,849	14,648,558
International Refugee Organization:		
Flour	15,608,400	829,463
Beef and gravy (Mexican)	2,231,040	664,569
Total	17,839,440	1,494,032
Near East Foundation: Beef and gravy (Mexican)	203,400	60,673

Summary of commodity inventories as of Feb. 28, 1949

Program, commodity branch, and commodity	Unit of measure	Quantity	Value (cost)	Reserve for losses	Net book value
Price-support program:					
Cotton:					
Cotton, American-Egyptian	Bale	32	\$6,993.87		\$6,993.87
Cotton, upland	do	828	85,664.27		85,664.27
Flax fiber	Pound	527,329	248,649.40	\$84,400.00	164,249.40
Fats and oils:					
Flaxseed	Bushel	19,484,778	122,068,184.76		122,068,184.76
Linseed oil	Pound	74,583,358	20,459,253.87		20,459,253.87
Peanuts, "farmers stock"	do	253,504,897	27,498,188.64	16,951,000.00	10,547,188.64
Peanuts, "shelled"	do	46,597,372	7,181,737.42		7,181,737.42
Tung oil	do	2,988	844.60		844.60
Fruit and vegetable:					
Fruit, dehydrated or dried:					
Prunes	do	21,721,930	1,820,699.98		1,820,699.98
Raisins	do	33,528,480	2,707,509.65		2,707,509.65
Potatoes, Irish	Hundredweight	2,946,411	6,641,074.57	6,199,100.00	441,974.57
Grain:					
Barley	Bushel	27,124	29,942.27		29,942.27
Seeds, bay and pasture	Pound	1,103,611	183,037.11	68,600.00	114,437.11
Wheat	Bushel	409,300	798,255.03		798,255.03
Livestock:					
Wool, appraised	Pound	195,622,562	76,479,887.39	10,707,500.00	70,081,741.64
Wool, unappraised	do	7,693,896	4,309,354.25		
Poultry:					
Eggs, dried	do	26,858,461	34,175,923.72	14,323,500.00	19,852,423.72
Eggs, liquid or frozen	do	1,665,345	535,493.39	35,000.00	500,493.39
Tobacco:					
Naval stores—turpentine	do	1,145,007	752,104.16	300,800.00	451,304.16
Tobacco	do	26,385,297	1,741,087.97		1,741,087.97
Total price-support program			307,723,886.32	48,669,900.00	259,053,986.32
Supply program:					
Dairy:					
Milk, dried	do	1,689,549	224,205.65		224,205.65
Milk, evaporated	do	5,134,655	545,938.97		545,938.97
Whey, solids, dry	do	257,600	27,796.48		27,796.48
Fats and oils:					
Soybeans	Bushel	1,745,892	4,530,885.21		4,530,885.21
Soybean oil	Pound	2,642,023	403,651.96		403,651.96
Fruit and vegetable: Flour, potato	do	23,770,571	1,641,951.69		1,641,951.69
Grain:					
Barley	Busbel	667,445	1,007,338.79		1,007,338.79
Beans, dried	Pound	6,127,800	468,661.73		468,661.73
Corn	Bushel	15,902,707	24,409,941.54		24,409,941.54
Flour, rye	Pound	3,000,000	110,044.00		110,044.00
Flour, wheat	do	55,953,400	2,701,574.59		2,701,574.59
Grain sorghum	Hundredweight	440,160	1,187,304.65		1,187,304.65
Oats	Bushel	1,544,673	1,367,797.00		1,367,797.00
Peas, dried	Pound	18,955,000	1,116,917.87		1,116,917.87
Rye	Busbel	1,116,660	1,935,377.72		1,935,377.72
Seeds, field	Pound	1,232,573	175,892.02		175,892.02
Seeds, vegetable	do	1,070,697	127,622.46		127,622.46
Wheat	Bushel	39,743,170	95,080,874.21		95,080,874.21
Livestock: Mexican meat, canned	Pound	92,895,515	26,500,128.88		26,500,128.88
Total supply program			163,563,905.42		163,563,905.42
Total			471,287,791.74	48,669,900.00	422,617,891.74

¹ Grease wool 51,737,536 pounds; scoured/carbonized 43,885,026 pounds.

² Dry weight.

NOTE.—Inventories of commodities as shown on this report include commodities committed to sale or otherwise obligated. Thus, the quantities shown do not represent the quantities available for sale or other disposition.

Mr. WILLIAMS. Mr. President, would it be in order to call up my amendment A?

The VICE PRESIDENT. It is not in order to call up any amendment except the committee amendments, until they have been disposed of.

Mr. WILLIAMS. What is the first committee amendment?

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 1, it is proposed to strike out "Section 4 (b)" and insert "Section 4 (h)."

The VICE PRESIDENT. Without objection, the amendment is agreed to.

The next amendment was on page 2, line 9, after the word "acquire" to insert "by lease, purchase, or otherwise."

Mr. McKELLAR. Mr. President, may we have an explanation of these amendments?

Mr. THOMAS of Oklahoma. Mr. President, the first committee amendment, which has just been adopted, merely changed the designation "Section 4 (b)" to "Section 4 (h)."

The VICE PRESIDENT. The Chair believes that it is the second committee amendment in which the Senator from Tennessee is interested.

Mr. JENNER. The second committee amendment is on page 2, line 9.

The VICE PRESIDENT. That is correct. The second committee amendment will be stated by the clerk.

The LEGISLATIVE CLERK. On page 2, line 9, after the word "acquire" it is proposed to insert "by lease, purchase, or otherwise."

The VICE PRESIDENT. Without objection—

Mr. JENNER. Mr. President—

The VICE PRESIDENT. Does the Senator wish to be recognized on the amendment?

Mr. JENNER. I do.

The VICE PRESIDENT. The Senator from Indiana is recognized.

Mr. JENNER. Mr. President, I want farmers to have every opportunity to obtain Government loans on their crops as a price protection measure, if they want to have those loans. Adequate storage on the farms and off the farms is needed if the loan program is to be effective.

So far as off-farm storage is concerned, wherever and whenever it is demonstrated that the farmer co-ops and other private storage operators cannot or will not meet the need, then the Commodity Credit Corporation should be authorized to provide whatever additional storage is required.

But, Mr. President, I object strenuously to the word "otherwise" in section 2 of the bill. Section 2 states that the Commodity Credit Corporation shall have the power to acquire real property or any interest therein for storage purposes by lease, purchase, or otherwise.

The distinguished senior Senator from Oklahoma [Mr. THOMAS], who is chairman of the Committee on Agriculture and Forestry, told us on Friday that the word "otherwise" is all-embracing. He said:

The intention was to give the Government the power, acting through the Commodity

Credit Corporation, to acquire property, by lease or purchase or by receiving it as a gift or, if necessary, if conditions justified it, by taking it over by the power of condemnation.

That statement appears in the CONGRESSIONAL RECORD for April 22, 1949, at page 5020, in column 3. In other words, if we legislate the words "lease, purchase, or otherwise," we do it with our eyes open to the unlimited power of Government to regiment crop marketing and to encroach upon private enterprise.

If we want this \$5,000,000,000 Government corporation to have the power to condemn property, let us come right out in the bill and say so. Why wrap the power of condemnation in the deceptive garment of the word "otherwise"?

If it is the intention of this legislation to give the Corporation the power to condemn property, the power to receive property by gift, the power to acquire property by transfer from other Government agencies, or by any other means, let us say what we mean.

The word "otherwise" also means foreclosure, as the Senator from Oklahoma said. The Commodity Credit Corporation can make loans to farmer cooperatives or other groups to construct storage facilities; it can get the cooperatives and others "in hock" to them; and if they are not able to pay back the loans on schedule, the CCC can move in and take over their property by foreclosure.

All right, Mr. President, if the Corporation is to acquire property by foreclosure, by lease, purchase, gift, transfer, and also by condemnation let us say so.

Let us not fool the American people about this matter.

I suspect that administration lawyers wrote the language of this bill. They wanted the CCC to have all-embracing power to acquire property and they figured the word "otherwise" would do the trick. To use mild words to cover harsh powers has long been a typical trick of Washington planners and bureaucrats.

Mr. President, I do not have any mandate from the people of my State to play tricks on them. I want the bill to say exactly how the Commodity Credit Corporation can acquire property and go no further. I do not want any trick words or loopholes.

Judging from the statements of the Senator from Oklahoma I think the word "otherwise" is all-inclusive and means that too much power would be given to a \$5,000,000,000 corporation to take the property of people by harsh tricks.

Mr. THOMAS of Oklahoma. Mr. President, the bill provides exactly the same language that ordinarily is provided in bills which give the Government the power to acquire property—in other words, by lease, purchase, or in any other way the Government sees fit to take property. The word "otherwise" means that.

There is no purpose in this bill to build competing storage. There is no purpose in this bill to build storage at any point where storage exists. There is no purpose in this bill to provide storage for tobacco or cotton or for cold storage purposes.

So far as I know, the bill is limited to storage for grain, such as wheat, corn, perhaps flax, perhaps flax seed, or it might be barley or rye; but not storage for cotton or tobacco, or cold storage warehousing.

Mr. President, if the Government is to have the right to acquire property, the right should be given in such terms as to enable the Government to acquire property. Under the terms of this bill the Corporation can acquire property by purchase or lease; or, when the bill uses the word "otherwise," it might be by gift or foreclosure. Certainly if the Government has a loan on property it must have the right to acquire property by foreclosure, because if the loan were not paid foreclosure would have to follow, or else the loan would be in the nature of a gift. That is the purpose of the bill.

The only instance I can imagine of the Government undertaking to condemn would be in some area where warehousing does not now exist, in some wheat or corn or rye or other area where a grain crop is being produced and where storage does not now exist.

It is the purpose, under this proposed law, as I understand it, to give the Government the right to build storage facilities in an area where storage facilities are needed, and to do so either by putting storage facilities on leased property or on property which is purchased; for, in the event the Government would not lease the property or in the event the Government could not buy the property, then, unless there were some other way by which to obtain the property, the Government could not provide the storage.

Thus, the word "otherwise" means the power of condemnation in a case of that kind.

I agree with the Senator from Indiana that the Government should not build competing storage. It should not build storage where storage is not necessary. Certainly it would not do that. I cannot foresee a Commodity Credit Corporation or a Secretary of Agriculture or an administration which would permit the expenditure of public funds where it was not needed.

So, that is the purpose of the proposed legislation—namely, to permit the Government to condemn property if it is found to be necessary to condemn a small tract upon which to build an elevator or a warehouse; and the word "otherwise" is included only as a matter of necessity.

So I think the language proposed for the bill is not only desirable but is absolutely necessary.

Mr. MORSE. Mr. President, I should like to ask the Senator from Oklahoma a question. Is it contemplated that the Commodity Credit Corporation shall be given the power to make loans, as the RFC and the Bank of Cooperatives now make loans?

Mr. THOMAS of Oklahoma. I think that is provided in the charter of the Commodity Credit Corporation itself.

Mr. MORSE. Therefore, after making a loan and getting a mortgage as security, the word "otherwise" would eventually empower the Commodity Credit

Corporation to obtain property by that advice; would it not?

Mr. THOMAS of Oklahoma. Where that is necessary.

Mr. ECTON. Mr. President, I wish to associate myself with the remarks of the junior Senator from Indiana [Mr. JENNER]. I rise in opposition to this amendment.

I think it is unnecessary, and I think it is all-inclusive. If this amendment is adopted, the first thing we know, the Government will be owning and operating all the storage facilities in the United States.

In my section of the country, for example, millions of bushels of storage capacity are owned by private companies and cooperative companies. But under this amendment, if it becomes law, there is a possibility that at some time in the future an ambitious board of the Commodity Credit Corporation might take over those storage facilities. I am not saying that the present Secretary of Agriculture or the present members of the Commodity Credit Corporation's Board would wish to do that; but those particular men will not always be in control of the Commodity Credit Corporation, and the gentleman who now is Secretary of Agriculture will not always occupy that position.

Mr. President, why put something in a bill which makes it possible to defeat the very purpose for which the bill is enacted? I, as a wheat grower, know absolutely that if the Government keeps its nose out of private business, there will be adequate storage facilities built in the United States. For instance, if any wheat grower wants a commodity loan and desires to hold his wheat, he will build his own storage and hold it on his own farm. He cannot afford to do otherwise, because the Government pays him for the storage on his own farm. He cannot lose.

Mr. MORSE. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Oregon?

Mr. ECTON. I am glad to yield.

Mr. MORSE. Did the Senator from Montana just hear the Senator from Oklahoma say that where the Commodity Credit Corporation found it necessary—which means of course, necessary in its judgment—to make loans for the building of storage facilities, it would be empowered to do so? Does the Senator from Montana know of any instances in which loans could not be obtained from private banking concerns for the building of any storage facilities which are economically justifiable?

Mr. ECTON. No, I do not. I know that in my State, under the farm program, when an individual is unable to put up the money himself, the local banking institution is more than glad to loan him the necessary money to build adequate storage facilities.

Mr. MORSE. Does the Senator from Montana, if I understand him correctly, intend to express a concern about the eminent domain powers which apparently exist under the word "otherwise" in the amendment, and fear that,

like most things, though started in a small degree, yet if the power can be exercised in small degree, it can likewise be exercised in large degree, if it is not checked? Is there not in the amendment the danger of a blank eminent domain power on the part of the Corporation?

Mr. ECTON. I may say in reply that the very able Senator from Oregon has expressed the situation in a concise and clear manner, much better than I myself could. That is exactly what I fear in this kind of amendment.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. ECTON. I am glad to yield.

Mr. ANDERSON. I hope the Senator recognizes that there is pending an amendment proposed by me to this section, and also an amendment proposed by the Senator from Delaware jointly with the Senator from Massachusetts, which amendments are identical in words, and which would absolutely assure that the powers given the Corporation would not be utilized by the Corporation for acquiring real property or any interest therein unless the Corporation determined that existing privately owned storage facilities were not adequate, and so forth? Every effort is made by that amendment, which was worked out after a good deal of consultation, to make sure that the fear of groups that the private field would be invaded is not well-founded. Does not the Senator feel that that will be helpful in the situation?

Mr. ECTON. I am sure it will be helpful, and I thank the Senator from New Mexico. But what I cannot understand is why we should go ahead and adopt the committee amendment, which causes all this consternation, and then expect to remedy it later by an individual amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ECTON. I yield.

Mr. WILLIAMS. Mr. President, as the Senator from New Mexico has pointed out, the Senator from Massachusetts and myself have an amendment pending, which we think will take care of the situation. The Senator from New Mexico also has an amendment which is practically identical, word for word. The reason we are adopting the committee amendment first is because we were advised by the Parliamentarian that we must take the amendments in order. Neither our amendment which the Senator from New Mexico intends to call up is in the bill at this time, and it would not be in order until later. But we have been advised by the chairman of the Committee on Agriculture and Forestry that he will not oppose the amendment, and that at the proper time he will accept the amendment which, as the Senator from New Mexico says, will make it impossible for the Corporation to use this power in order to extend its facilities in any manner, unless first it has been determined that the existing storage facilities in the given area, supplied by private industry, are inadequate, and storage cannot be so provided. Only in instances where private industry could not or would not

take care of the storage requirements would the Corporation be allowed to use this authority in any manner. It has been our endeavor to work that provision into the law in the best possible manner. I think it is pretty well covered by the language of the amendment proposed by the Senator from Massachusetts and myself; which amendment I think we shall withhold in deference to the Senator from New Mexico, so as to allow him to offer his amendment.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a parliamentary inquiry?

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. ECTON. I am glad to yield to the Senator from Iowa.

Mr. HICKENLOOPER. On Friday, Mr. President, with special reference to section (b) in the first paragraph, on page 2 of the pending bill, it was my understanding, and I made special inquiry, though not of the Parliamentarian, because I thought the committee probably would take care of it, that if the Senate were to adopt the presently appearing committee amendments, the Senate would be precluded in effect from acting upon the amendment proposed by the Senator from New Mexico. I was therefore under the impression that the procedure would be to offer the amendment proposed by the Senator from New Mexico as a substitute for section (b). I am very much interested in the Senator's amendment and I should not want the parliamentary situation to become any more difficult than it is.

The VICE PRESIDENT. The Chair announced Friday that the committee amendments would be disposed of first, that amendments were in order to the committee amendments, and that an amendment might be offered to the bill after the committee amendments were disposed of. That is the usual procedure.

Mr. HICKENLOOPER. Mr. President, another parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. HICKENLOOPER. Without presuming to control the action on the floor of the Senator from New Mexico, would it be proper for him to offer his amendment at this time to section 2 of the bill, or would the proper procedure be to adopt the committee language first, and then to have the amendment offered to section 2?

The VICE PRESIDENT. The amendment of the Senator from New Mexico is not an amendment or a substitute for the committee amendment, but the language of the bill may be amended following adoption of the committee amendment, by any amendment which may be offered and agreed to by the Senate. As the Chair understands, the amendment of the Senator from New Mexico is an amendment to the section of the bill, not to the committee amendment.

Mr. ANDERSON. Mr. President, if I may make the suggestion, it is not technically an amendment to the committee amendment, but it very greatly modifies

the effect of the committee amendment, and I hope it will relieve the apprehension concerning the words "or otherwise." Since it is a limitation upon the use of the words "or otherwise," I should be pleased if there were an opportunity for me to present my amendment at this time.

The VICE PRESIDENT. The Senator may move to strike out any part of the language of the bill that includes the committee amendment and offer a substitute for it, or an amendment to the committee amendment in that form, if he so desires.

Mr. ECTON. Mr. President, in view of the explanation, I shall be glad to resume my seat and allow the Senate to proceed with the amendments, provided I have assurance that the bill will not be left in such form that at some time in the future some Secretary of Agriculture or Director of the Commodity Credit Corporation can take over all storage facilities owned and operated privately, and also storage facilities owned by cooperatives. I think it is dangerous for us to attempt to take care of this situation through an amendment to the bill.

The VICE PRESIDENT. The amendment of the Senator from New Mexico is at the end of line 15. It is, therefore, not an amendment to the pending committee amendment. It may be in order, when the committee amendments are disposed of. Therefore, the question now is on agreeing to the committee amendment.

Mr. JENNER. Mr. President, with the explanation which has come from the Senator from New Mexico, the Senator from Delaware, and others, I am perfectly agreeable to accepting the amendment, with the understanding that later on the matter will be clarified.

Mr. CAPEHART. Mr. President, I should like to inquire the reason for the words in line 11 on page 2, "other than storage for cotton or tobacco." Why are cotton and tobacco excluded?

Mr. THOMAS of Oklahoma. Mr. President, the reason for that is that there is no demand for storage facilities for either tobacco or cotton.

Mr. CAPEHART. There may be in the future.

Mr. THOMAS of Oklahoma. Congress will be in session, and we can provide them if the demand should arise. There is at present ample storage for both tobacco and cotton. The cotton producers do not see any reason for building additional storage, when there is no demand for it. The Department says it has no idea of building any additional storage for either cotton or tobacco. The Senator from Nebraska has an amendment on this point, adding some other provisions. There is no demand for those facilities, and it was perfectly agreeable to put in an exemption with regard to cotton and tobacco.

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER (Mr. GILLETTE in the chair). The Senator will state it.

Mr. CAPEHART. Is it in order to offer an amendment to the committee

amendment to strike out the word "otherwise"?

The PRESIDING OFFICER. It is perfectly in order to offer an amendment to the pending committee amendment.

Mr. CAPEHART. Mr. President, I move that on page 2, line 9, the words "or otherwise" be stricken, so that the language will read: "acquire by lease or purchase, real property," and so forth.

The PRESIDING OFFICER. The clerk will state the amendment to the committee amendment.

The LEGISLATIVE CLERK. On page 2, line 9, it is proposed to strike out from the committee amendment the words "or otherwise" and to insert the word "or" before the word "purchase."

Mr. YOUNG. Mr. President, I hope the amendment will not be adopted. The Committee on Agriculture and Forestry considered the bill very carefully. We worked with farm organizations, with the Department, and heard testimony of representatives of the grain trade. The word "otherwise" is fully explained by the statement of the chairman of the committee last Friday, and by the statements of all the sponsors, which have the effect of the law itself. It is the intention of the committee members fully to protect the grain trade, cooperatives, and others, where there are private facilities sufficient to take care of storage needs. There are cases, however, where additional property may have to be acquired. If the word "otherwise" is stricken out, the Commodity Credit Corporation may not be able to adequately take care of these needs.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. CAPEHART. What other means may the Commodity Credit Corporation use besides lease or purchase? It is said that there are other means which the Corporation might use. What are those means, other than lease or purchase?

Mr. YOUNG. Eminent domain. The Senator from Oklahoma explained on last Friday that there are instances in which private grain-trade facilities are not adequate, or the facilities of cooperatives are not adequate, and that the Corporation might need to acquire property on a siding along a railroad on which to establish a warehouse, but the present holder of the land may not wish to give authority to do so. There are instances of that kind in which the Corporation might have to purchase property.

I think, with the amendment which the Senator from New Mexico [Mr. ANDERSON] will offer, the trade interests are fully protected.

Mr. CAPEHART. Why is the language so broad? Why should we not say "by lease or purchase, or, if they are unable to acquire land on which to build a warehouse, they may do so by other means"?

Mr. YOUNG. I suppose a lawyer could figure out an amendment a mile long that would accomplish the purpose; but the committee felt that this language would adequately cover the situation.

Mr. CAPEHART. It is certainly broad. Would "otherwise" also mean

that the Corporation could condemn private property and take it over?

Mr. YOUNG. No. I think it has been fully covered by the statement of the chairman and the statements of the sponsors.

Mr. CAPEHART. I do not care what the chairman of the committee has said or what has been said on the floor by other Senators. I am interested in what shall go into the law, because the important thing is what is written into the statute and not what some Senator says on the floor.

Mr. YOUNG. Last year, when the Aiken farm bill passed the Senate, the Senator from Vermont made many statements which the Department interprets as having the effect of law. The Supreme Court of the United States, in deciding the constitutionality of a law or interpreting a law, goes back to the statements made on the floor not only by the sponsors of the bill, but by any other Members. What they have had to say about a bill carries the same effect as the language in the bill itself.

Mr. CAPEHART. Mr. President, the words "or otherwise" are certainly all-inclusive and permit the Corporation to take any action it might see fit to take.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield the floor.

Mr. HICKENLOOPER. Mr. President, I wonder if the Senator from Indiana will yield for a statement?

Mr. CAPEHART. I shall be very happy to yield to the Senator from Iowa.

Mr. HICKENLOOPER. I call the Senator's attention to the fact that on Friday this issue was raised rather extensively. I was one who raised the very point which the Senator from Indiana is raising, with regard to the unlimited authority which might be delegated under the bill to the Secretary of Agriculture to condemn existing private facilities. There had been some misunderstanding with regard to that matter. The Senators sponsoring the bill, as well as the chairman of the committee, made it very clear that there is no intention or thought to convey to the Secretary of Agriculture or to the Commodity Credit Corporation the right of condemnation of existing privately owned facilities. There might be occasions, and probably would be, in the emergency of a big harvest, when the Department might be unable to find sufficient existing facilities anywhere in the location, and might have to acquire land upon which to place temporary storage facilities, near a railroad track. The words "or otherwise" were left in without explanation, with the idea of giving the Commodity Credit Corporation not only the most complete latitude in exercising its obligations and duties, but also in order that the Commodity Credit Corporation would have responsibility for doing the job.

So far as I am concerned, I feel many of the same qualms about extending the authority of a Government agency as does the Senator from Indiana. But, after the discussion on Friday, which, I believe, quite clearly defined and limited the extent of the authority under the words "or otherwise," I became satisfied

that the intention of the bill is fixed sufficiently to protect against any unwarranted expansion of the right of condemnation over private property or private facilities. I have much the same feeling as has the Senator from Indiana, as he has expressed it, but I say to the Senator that I feel confident we have sufficiently defined the meaning of the words that I, at least, am willing to accept the words "or otherwise" as words of latitude, but also as words of limitation, with the full explanation which has been made.

Mr. CAPEHART. Mr. President, it looks to me rather queer and odd that the words "or otherwise," should be written into the bill after having provided that the Corporation has a right to acquire by lease or purchase. I cannot conceive of the Government taking property away from anyone without either purchasing it or leasing it.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator yield?

Mr. CAPEHART. I yield.

Mr. THOMAS of Oklahoma. If I may venture a suggestion, 2 or 3 days ago there came over the ticker located just outside the Senate Chamber an item dated Hutchinson, Kans.:

Experts said today that despite all transportation and storage arrangements part of the Kansas wheat harvest this year will be stored on the open ground.

Friday I submitted a picture showing in Texas a vast amount of wheat stored on the ground. That is what is going to happen at Hutchinson, Kans.

Suppose this bill should be enacted containing just the words "lease or purchase," and the Commodity Credit Corporation should decide to provide some storage at Hutchinson so that the farmers who produced the wheat crop this year could get some loans in the fall. Suppose they should seek storage, and suppose private parties would not build it, no cooperative would build the storage facility, and the Government could not afford to build it. Suppose the Government should attempt to lease some land on which to build storage, and the owners refused or failed to lease, and then the Government tried to buy the land, and they refused to sell. How could the Government provide storage at Hutchinson, Kans., for this year's wheat crop under those conditions? It would have to proceed under the power of eminent domain, and by condemnation acquire some land next to a railroad track, or as near to the railroad track as possible, and probably build a short spur to the warehouse, and get storage space in that way. I do not think the Corporation would be required to do that, but the wording in the bill might be used in the nature of influence—I would not say as a club, but such wording is often times used—in order to obtain needed property so as to enable them to do what the law authorizes them to do. That is the only instance in which the Government would be justified in acquiring land by condemnation.

Mr. CAPEHART. In other words, the only time when they would take advantage of the words "or otherwise" would

be when they were unable to lease or buy?

Mr. THOMAS of Oklahoma. That is correct.

Mr. CAPEHART. When they were unable to buy land in order to build storage facilities upon it, or unable to acquire it in any way other than by condemnation, this provision would give them the right to condemn?

Mr. THOMAS of Oklahoma. That was the statement I made Friday, and that is what I believe.

Mr. CAPEHART. With that explanation, Mr. President, I withdraw my amendment.

The PRESIDING OFFICER. The amendment of the Senator from Indiana is withdrawn.

Mr. MORSE. Mr. President, I think the Senator from Iowa [Mr. HICKENLOOPER] has cleared up the problem I had in mind, but because we are laying a foundation for a legislative intent, I wonder if the distinguished Senator from Oklahoma [Mr. THOMAS] would, for the record, answer two or three questions I should like to put to him. I wish to say to the Senator that I think perhaps he has already answered the questions, but I should like to have them all at one point in the RECORD so that there can be no question as to the legislative intent.

My first question to the Senator from Oklahoma is this: Is the exercise of the grant of authority to acquire land under the bill to be limited to carrying out the price-support program of the Corporation?

Mr. THOMAS of Oklahoma. Entirely.

Mr. MORSE. Would the authority granted by the proposed act authorize the Corporation to acquire interest in real estate so as to provide storage facilities only, not connected with the price-support program of the Corporation?

Mr. THOMAS of Oklahoma. Mr. President, the whole series of legislative acts is under the price-support program. I understand that this provision is to be added as a portion of the price-support program.

Mr. MORSE. Under the authority here given would the Corporation be permitted to provide storage facilities for commodities title to which had not passed to the Government?

Mr. THOMAS of Oklahoma. I think perhaps in some cases it would permit the use of this class of storage facilities for storing commodities on which loans had been made. If the loans later were not paid, the Government would, of course, be entitled to take over the commodity. Storage facilities would be available at the time when the Government had only a loan on a commodity, and not the title.

Mr. MORSE. It would always be in those instances where the Government had at least some interest in a commodity?

Mr. THOMAS of Oklahoma. Either when it had made a loan or had title.

Mr. MORSE. Under the authority here provided would the Corporation be authorized to acquire interest in real estate to engage in business in the com-

mercial sense of (1) storing; (2) handling; (3) processing; or (4) distribution, either in the natural state or as processed commodities or articles over which it had control under any of the Corporation's program?

Mr. THOMAS of Oklahoma. An amendment is now lying on the desk which will cover that point. It is to be offered by the Senator from Nebraska. It limits the authority of the Commodity Credit Corporation in the exercise of its power. It is not to have power to provide storage for cotton or tobacco, or for anything that can go into a refrigerated warehouse.

Mr. MORSE. I thank the Senator. So far as I am concerned, I think we now have, without any question, a clear statement as to the legislative intent.

Mr. THYE. Mr. President, will the Senator from Oklahoma yield to a further question to clarify the question regarding cold storage?

Mr. THOMAS of Oklahoma. Certainly.

Mr. THYE. There is some property now owned at Atchison, Kans., known as the Sandstone Cave, which is used as a cold storage warehouse. In the event the bill absolutely excluded the Commodity Credit Corporation from entering into such business, would that compel the Department of Agriculture and the Commodity Credit Corporation to dispose of the Sandstone Cave.

Mr. THOMAS of Oklahoma. As I understand, the Department has possession of this cave, either by lease or title, and in my opinion the proposed legislation would not interfere with that. I think the fact that the Government is using that property for public purposes would place it also without the purview of the legislation.

Mr. THYE. We would want to be absolutely certain on that point, because it would be very disastrous and embarrassing, in the event the Department of Agriculture or the Commodity Credit Corporation should be compelled to sell or otherwise dispose of that Sandstone Cave, in which they have millions of dollars worth of improvements. That is the only reason why I asked the question.

I personally am opposed to any cold storage or any storage facilities which are unnecessary, and for that reason I shall support the amendment of the Senator from Nebraska, but I do desire to safeguard the Federal Government against having to sacrifice its investment in the Sandstone Cave at Atchison, Kans.

Mr. THOMAS of Oklahoma. My answer to the question would be that, inasmuch as the Government has this property already, the proposed legislation would not affect it. The bill is to give the Government authority to acquire warehousing where it does not now have it. If it has a cave in Kansas that is not artificially cooled, but naturally cooled, where powdered eggs and other farm commodities are stored, I am certain the proposed legislation would not affect that facility. It is only in the event the Government tried to acquire property that the legislation would take effect, but having it now, it would not be affected.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MORSE. I ask this question so that any doubt existing in my mind may be removed. In the type of situation, where the corporation loans money for the building of a storage facility to a private concern or to a cooperative, for example, and then the loan is paid, will the facility then become the property of the private concern, and thereby obtain the advantage that it would obtain from the loan in competition with other private concerns.

Mr. THOMAS of Oklahoma. I should think that that would be covered by the contract which the Government entered into with the cooperative. I think the contract would provide as to that.

Mr. MORSE. So that under this arrangement it would be possible then in effect for the corporation to give certain preferences to certain individuals or combinations or associations in competition with private concerns?

Mr. THOMAS of Oklahoma. If a group of citizens, such as in Hutchinson, Kansas, where there is not sufficient storage, should see fit to build a cooperative facility this summer they might get a loan from the Commodity Credit Corporation with which to pay the expenses of construction of the facility. Later on, if they pay the loan, then the property should belong to them, and would belong to them for such use as they might see fit to make of it in the future.

Mr. HICKENLOOPER. Mr. President will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HICKENLOOPER. The Senator is now suggesting a field of operation of the Commodity Credit Corporation which I did not contemplate would be considered. In response to the question by the Senator from Oregon [Mr. MORSE] the Senator from Oklahoma said the cooperatives have the right to go to banks for loans, and I believe under certain circumstances they can go to the RFC. It was not my thought that we were setting up the CCC as another banking agency for private businesses. I would hate to have the Commodity Credit Corporation set up under this legislation as another banking agency when we already have several other agencies loaning money to private operators, and I consider a cooperative to be a private operator.

Mr. THOMAS of Oklahoma. I am not suggesting that the Commodity Credit Corporation would make this loan, but if the RFC made the loan, and thereafter the cooperative officials paid off the loan, then the property would become the property of the local group and they could use the property as they saw fit to use it under their charter.

Mr. HICKENLOOPER. I am raising no objection to the existing loan agencies being authorized or enabled to make loans such as they are now set up to make. I am raising this question however: Is it possible that we are setting up another banking agency here?

Mr. THOMAS of Oklahoma. No, the bill gives the Commodity Credit Corporation no additional authority to make loans for any purposes. It acts on a

different basis entirely. It can acquire property by lease, it can acquire property by purchase, it can acquire property by condemnation. Those are the only methods by which I can see any outlay of cash made by the Corporation.

Mr. HICKENLOOPER. But if the Commodity Credit Corporation makes loans, if it is another agency to make loans to private operators such as co-operatives, or private individuals, when the property in question is the property of the private individual and it is the credit of the Commodity Credit Corporation that would be building up the property of the private individual.

Mr. THOMAS of Oklahoma. If the Commodity Credit Corporation has that power now then the proposed bill would not change that power.

Mr. HICKENLOOPER. It is not my understanding that the Commodity Credit Corporation has that power now.

Mr. THOMAS of Oklahoma. Then if it does not have that power now, there is nothing in the proposed legislation that would give the Corporation that power.

Mr. HICKENLOOPER. I hope that point is clarified, because I believe that in connection with private operations, there are agencies where private groups can go and secure Government credit at this time for the enlargement of their facilities. But I think we ought to look at this matter quite carefully to see if we are in any way enlarging the existing power of the Commodity Credit Corporation to make loans to private individuals. Now if we are not and if I correctly understand the Senator's statement, he construes this act as not in any way enlarging the present existing power of the Commodity Credit Corporation—

Mr. THOMAS of Oklahoma. We are not touching upon that proposition.

Mr. HICKENLOOPER. To make private loans?

Mr. THOMAS of Oklahoma. If the Corporation has the power now to make such loans, the proposed legislation would not interfere with that power. If the Corporation does not have the power now to make loans to cooperatives, then the proposed legislation does not suggest that they should have that power.

Mr. HICKENLOOPER. Does the Senator have information as to whether the Commodity Credit Corporation now has that power under the present Commodity Credit Corporation Act?

Mr. THOMAS of Oklahoma. I would not want to answer that question "Yes" or "No." It has been my thought that the Corporation has had the power heretofore, but I would not be certain. The Corporation has had the power heretofore to provide in some manner for the erection of small bins on farms for storage of small grains on the farms. The Corporation has had the authority to acquire storage space to store a farmer's grain on his farm. The legislation might enlarge that particular authority. But with respect to the point raised by the Senator, if the Corporation does have the power to make private loans, the legislation does not enlarge it. If it does not have that power, the legislation does not give it to the Corporation.

Mr. HICKENLOOPER. I may say to the Senator that I believe the Commodity Credit Corporation ought to be able to furnish temporary storage, either on the farm or somewhere else, but the facilities for temporary storage I understand now remain the property of the Government. I did not know that we have contemplated setting up another lending agency, or that we proposed permitting the Commodity Credit Corporation to go about lending money to private individuals to build their own facilities which are, at the time they are built, the property of the individual, and which, after the loan is paid, will remain the property of the individual, the Government getting clear out of it and having no interest and responsibility for it.

Mr. THOMAS of Oklahoma. There is nothing in the proposed legislation that deals with that subject. The Commodity Credit Corporation, which I will call the Government, may find that some storage should be provided, for example, at Hutchinson, Kans., or at some point in my State, or some point in some other State, and the storage does not now exist. The Government may state to the people of the section, "In order for you to secure loans on your wheat this fall you must have storage." Now if we cannot provide that storage by private capital, and if we cannot provide it by cooperatives getting money from some source, then we will have to step in there to see if we cannot do something about it. Otherwise the farmers in that territory will be denied an opportunity to secure loans on their commodity.

Mr. HICKENLOOPER. I agree thoroughly that under the state of facts proposed by the Senator, the Commodity Credit Corporation is perfectly within its field in either constructing temporary storage or maybe some reasonable type of permanent storage, if those facilities are not available in the area. It is not quite that point that I was getting at. It is the question of lending money to private individuals to build their own privately owned storage facilities, and using a new medium, which would be the Commodity Credit Corporation funds, to finance these loans. I think cooperatives, for instance, have ample facilities, with the Bank for Cooperatives to get their money. I am not objecting to that. I think private individuals can go to the RFC, for instance, and I think cooperatives may also, under certain circumstances, be able to make loans from the RFC. There is a little difference in the backgrounds of those loans. But private individuals already have sources of Government credit or Government loans with which to enlarge their facilities. I was merely raising the question of setting up another Government lending agency here, when ample facilities are already in existence.

Mr. THOMAS of Oklahoma. I am satisfied there is nothing in the suggested legislation on that point.

Mr. HICKENLOOPER. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the second committee amendment, on page 2, line 9. The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was on page 2, line 11, after the word "storage" to insert "(other than storage for cotton or tobacco)."

Mr. BUTLER. Mr. President, I have had some conversation with the Chairman of the Committee on Agriculture and Forestry, who is in charge of Senate bill 900, and on behalf of myself, the Senator from Delaware [Mr. FREAR] and the Senator from New Jersey [Mr. HENDRICKSON] I offer an amendment to the committee amendment on page 2, line 9, which I ask to have stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, line 9, it is proposed to strike out "cotton or tobacco" and insert in lieu thereof "cotton, tobacco, or commodities customarily stored in public refrigerated or general merchandise warehouses."

Mr. THOMAS of Oklahoma. Mr. President, the only change the amendment makes in the committee amendment is to add refrigerated warehouses. Inasmuch as no testimony was submitted to the committee, as I remember, that asked for facilities for storing goods in cold storage or warehouses, speaking for the committee, I accept the amendment.

Mr. BUTLER. I should like to invite the attention of the chairman of the committee to the suggestion he made to me a while ago, to add the word "farm" before the word "commodities." Is it the Senator's desire that the amendment be modified by making that addition?

Mr. THOMAS of Oklahoma. That would make the amendment more certain. The addition of the word "farm" so as to read "farm commodities" would limit it to farm products.

Mr. ANDERSON. I should like to see a copy of the amendment. I think as it was read it goes far beyond what has been discussed. It would eliminate the storage of wool. A general merchandise warehouse could include a great many things. I certainly hope this amendment will be rejected.

Mr. BUTLER. Mr. President, would it be agreeable if the word "general" were eliminated?

Mr. ANDERSON. I do not believe that the elimination of the word "general" would help. It is the word "merchandise" that troubles me. It is proposed to say that storage cannot be provided for any commodities "customarily stored in public refrigerated or general merchandise warehouses." In a small community eggs are customarily stored in public refrigerated warehouses. Would that mean that the egg-price-support program would not be available to the farmers in the West?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nebraska [Mr. BUTLER] to the committee amendment on page 2, line 11.

Mr. ANDERSON. Mr. President, I ask for the yeas and nays.

Mr. THOMAS of Oklahoma. Mr. President, I do not think there is any objection to adding the word "farm" to the word "commodities," so as to limit this section to farm commodities rather than other kinds of commodities.

Mr. THYE. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. The only question that has been raised with me has been with respect to cold-storage facilities. It was not felt that there was any necessity of including cold-storage facilities under this provision of the act, inasmuch as we had excluded cotton and tobacco. If there is some doubt as to how far the restrictions of this amendment go, we must clarify that point before the amendment is accepted. There is the wool question, as well as the egg question. I can foresee at least half a dozen questions which I would want to raise before I would vote in favor of the amendment.

The PRESIDING OFFICER. The Senator from Nebraska has the right to modify his amendment.

Mr. BUTLER. Mr. President, with the consent of the chairman of the committee, I should like to suggest a further modification of my amendment. It is not the purpose to put the Commodity Credit Corporation at a disadvantage in fulfilling its responsibilities under the law.

As I now offer it, the amendment would read as follows:

On page 2, line 11, strike out "cotton or tobacco" and insert in lieu thereof "cotton, tobacco, or farm commodities customarily stored in public refrigerated warehouses."

Mr. THOMAS of Oklahoma. That was the understanding I had of the amendment, and, inasmuch as no request was made before the committee for additional storage facilities for refrigerated warehousing, I saw no objection to adopting the amendment.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MORSE. Am I correct in my understanding that the testimony before the committee shows that there is in fact an apparent surplus of refrigerated warehouse facilities at the present time, so that there would be no danger of a shortage of refrigerated space for farm commodities over which the Corporation might have some jurisdiction?

Mr. THOMAS of Oklahoma. In the testimony before the committee no one suggested the need of additional refrigeration for any purpose.

The PRESIDING OFFICER. The modified amendment offered by the Senator from Nebraska [Mr. BUTLER] to the committee amendment on page 2, line 11, will be stated.

The CHIEF CLERK. On page 2, line 11, it is proposed to strike out "cotton or tobacco" and insert in lieu thereof "cotton, tobacco, or farm commodities customarily stored in public refrigerated warehouses."

Mr. ANDERSON. Mr. President, may I ask the author of the amendment whether this amendment covers butter?

Butter is customarily stored in refrigerated warehouses. The Chairman pointed out what happened when grain could not be stored in grain elevators. There might be need to assist in constructing facilities for the storage of butter, eggs, and a great many other commodities.

Mr. BUTLER. Mr. President, it is my understanding that no testimony has been given to the effect that there is any shortage, or even a threatened shortage, of storage facilities of this kind. It is for that reason that the amendment is proposed. A shortage in warehouse storage facilities does not show up overnight. There will be ample time at a future date to amend the proposed law, if it needs amendment, in this or any other respect. At the moment I believe that the proviso would in no way hamper the Commodity Credit Corporation in taking care of its obligations.

Mr. ANDERSON. Mr. President, I have no desire to see the Commodity Credit Corporation launch into the construction of refrigerated warehouses, but I am keenly aware that during the war there was a shortage of refrigerated space. While those who operated refrigerated warehouses steadily maintained that such warehouses were being used only to 90 percent of capacity, as a practical matter, that is about the maximum that can be expected when commodities are being moved in and out. We were acutely short of warehousing facilities during the war period, and we might be again. I do not anticipate that any more such facilities are to be constructed. I had hoped that we might act on the amendment which the Senator from Delaware [Mr. WILLIAMS], the Senator from Massachusetts [Mr. SALTONSTALL], and I had pending, namely, the provision that existing private facilities should not be duplicated, but that a survey must be made to show that they are inadequate before anything can be done about it. I should greatly prefer to see that language in the bill. However, I have no great objection to having the amendment apply to cotton, tobacco, or refrigerated cold-storage facilities. But when other commodities are included, we may find that they are customarily stored in such facilities, but that they may still need some protection. I want to be sure that what we are doing is saying that cold-storage facilities shall not be built by the Government for these particular commodities.

I should like to refer to the point made by the distinguished Senator from Minnesota [Mr. THYE]. The caves at Atchison, Kans., were quite an experiment. There was grave doubt for a long time whether they would be useful. The Government has spent approximately \$2,000,000, and has found that programs can be devised to make the fullest possible use of these excellent natural coolers. I am hopeful that we can make very certain that the Government will not lose its right to operate those coolers as long as it may be desired. The Government does not now own title to the land, but has an option which it must take up shortly. It is accumulating funds so that the purchase may be made. I hope it is

clear that we are not foreclosing the Government in its right to complete the purchase of those caves.

Mr. YOUNG. Mr. President, is it not true that under our present price support program we may get into rather large scale operations this fall in support of pork prices? There is not sufficient cold storage at the present time to provide for a very large-scale program in respect to pork. We may be getting the United States Department of Agriculture into a great deal of trouble with this amendment?

Mr. ANDERSON. I think so. Moreover, we could get into a great deal of trouble with dairy products. At the present time we have an abundance of such products. At certain seasons of the year we want to put away dried skim milk. Certainly evaporated milk must be stored. At the present time I believe that storage facilities are ample for everything we want, but we are accumulating great surpluses of lard, and perhaps a great many pork products ought to be purchased and stored. I think we would go far enough by the adoption of the amendment which has been submitted to so many Members of this body, providing that the Government must not build facilities without determining that private facilities are inadequate. If it is found that private facilities are not adequate, then the Corporation must make some arrangements to supply the needed facilities.

But I think we would put the Department of Agriculture in a position in which it might be able to shirk its duties, if we were to say that it did not need to store the things which are customarily stored in refrigerated warehouses. That would let it "off the hook" in the case of butter and lard and pork. I think the Congress should not give such permission to the Department of Agriculture. I think Congress should say that the Department must store the products it acquires, preferably in private establishments, generally in private establishments, and should not build any storage facilities so long as private storage facilities are adequate.

With that as a general rule, I do not think the owners of private facilities need worry.

During the war we virtually had authority to build almost anything we needed; and yet at no time did the Department of Agriculture seek to build any such facilities at all, except in the case of caves, near Atchison, Kans.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Nebraska to the committee amendment on page 2, in line 11.

Mr. YOUNG. I ask for the yeas and nays.

Mr. HOLLAND. Mr. President, I should like to ask a question of the distinguished Senator from Nebraska. It seems to me that what he is trying to do is to exempt storage of a certain kind, rather than storage for the miscellaneous kinds of products he has mentioned.

I suggest to him that perhaps his purpose might better be served if, where the committee amendment is now found, on

page 2, in line 11, the following words were placed within the parenthesis: "other than storage for cotton, and tobacco and refrigerated cold storage."

That simply would exempt, in addition to storage for cotton or tobacco, a general additional type of storage which would be referred to as refrigerated cold storage, without bringing into question what products are affected thereby.

I suggest that that amendment might be made to the Senator's amendment, and might meet his purpose.

Mr. BUTLER. Mr. President, I think that would cover the situation, so far as I am concerned. Does the Senator from Florida offer that as a substitute?

Mr. HOLLAND. I do not believe I could offer it as a substitute to the committee amendment, under the parliamentary situation.

The PRESIDING OFFICER. The Senator from Nebraska has a right to modify his own amendment.

Mr. HOLLAND. I am perfectly willing to have the Senator from Nebraska adopt my suggestion if he wishes to do so.

Mr. BUTLER. Mr. President, as I stated to the Senator from New Mexico and to other Senators, I have no desire to handicap the Commodity Credit Corporation in the operation of its program. I am satisfied that it is true, as the Senator has said, that at the moment there is no shortage of refrigerated storage facilities. I think the persons who are operating refrigerated storage are entitled to exactly the same protection or assurance that is provided for the storage facilities for cotton or tobacco.

So I accept the proposed amendment, and will make it my own amendment.

The PRESIDING OFFICER. Does the Senator from Nebraska desire to modify his amendment accordingly?

Mr. BUTLER. I modify my amendment in the way suggested by the Senator from Florida.

The PRESIDING OFFICER. The amendment as modified to the committee amendment will be stated.

The CHIEF CLERK. In the committee amendment on page 2, in line 11, after the word "tobacco," it is proposed to insert "and refrigerated cold storage."

Mr. HOLLAND. That will carry out the suggestion I made.

Mr. YOUNG. Mr. President, may the amendment be stated again?

The PRESIDING OFFICER. The modified amendment of the Senator from Nebraska to the committee amendment will be stated again.

The CHIEF CLERK. On page 2, in line 11, the committee amendment as proposed to be amended by the amendment, as modified, will read as follows: "other than for storage for cotton, tobacco and refrigerated cold storage)."

Mr. YOUNG. Mr. President, I think the present situation demonstrates exactly why we cannot properly handle amendments of this sort on the floor of the Senate. Who knows whether this amendment would take the Department of Agriculture "off the peg" so to speak, in supporting hog prices this fall or in supporting butter prices or the prices of eggs? We have no information from the Department of Agriculture as to

what effect this amendment would have in these price-support fields. So I think it would be very dangerous for us to accept the amendment as modified. No testimony to show the need for it was presented to the committee. I think it would be most unwise for the Senate to adopt the amendment.

Mr. BUTLER. Mr. President, will the Senator yield?

Mr. YOUNG. I yield.

Mr. BUTLER. I think the Senator from North Dakota heard the statement made by the former Secretary of Agriculture, the present Senator from New Mexico [Mr. ANDERSON], to the effect that the Department was virtually authorized, during the war, to construct Government storage facilities—or, if perhaps not exactly authorized, at least that every request it made during the war period was granted, and that it was not necessary for the Department to construct cold-storage facilities, even under wartime conditions, and it was not necessary for the Department to construct cotton or tobacco storage facilities.

I can see no possible situation which would require within any reasonable time the construction of such storage by the Department.

Mr. YOUNG. The hog situation now is entirely different. We have a large surplus of fats and oils, and a big hog crop is coming on.

Mr. BUTLER. There will not be a greater storage problem than that which existed during the war.

Mr. YOUNG. Oh, yes, a much greater problem—perhaps not this fall, but certainly next year, in supporting hog prices.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Nebraska to the committee amendment on page 2, in line 11.

On this question the yeas and nays have been requested? Is there a sufficient second?

The yeas and nays were not ordered.

Mr. LANGER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Hoey	Millikin
Brewster	Holland	Morse
Bricker	Ives	Neely
Butler	Jenner	Reed
Cain	Johnson, Tex.	Russell
Capehart	Johnston, S. C.	Saltonstall
Chapman	Kefauver	Schoeppel
Connally	Kem	Smith, N. J.
Donnell	Kerr	Stennis
Eastland	Kilgore	Taft
Eaton	Knowland	Taylor
Ferguson	Langer	Thomas, Okla.
Frear	Lodge	Thomas, Utah
Fulbright	Long	Thye
George	McCarthy	Tydings
Gillette	McClellan	Wherry
Gurney	McKellar	Williams
Hendrickson	Malone	Withers
Hickenlooper	Martin	Young
Hill	Maybank	

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Swanson, one of its reading clerks, communicated to the Sen-

ate the intelligence of the death of Hon. ROBERT L. COFFEY, late a Representative from the State of Pennsylvania, and transmitted the resolutions of the House thereon.

AMENDMENT OF COMMODITY CREDIT CORPORATION AND STRATEGIC STOCK PILING ACTS

The Senate resumed the consideration of the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the modified amendment of the Senator from Nebraska [Mr. BUTLER] to the committee amendment on page 2, line 11.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, as amended.

The amendment as amended was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The LEGISLATIVE CLERK. On page 2, line 18, it is proposed to insert, after the word "Directors," the words "Advisory Board: (a)."

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. After the committee amendments are adopted I should like to offer an amendment. Do I correctly understand the proper procedure to be that after the adoption of the committee amendments I may offer my amendment to strike out the section of the bill to which I have reference?

The PRESIDING OFFICER. The Senator is correct.

The question is on agreeing to the committee amendment which has been stated.

The amendment was agreed to.

The PRESIDING OFFICER. The clerk will state the next committee amendment.

The next amendment was on page 2, lines 23 and 24, to strike out "of not less than six nor more than 10 members" and insert "of six members."

The amendment was agreed to.

The next amendment was on page 3, lines 12 and 13, to strike out "A majority of the minimum number of Directors required on the Board" and to insert "A majority of the Directors."

The amendment was agreed to.

The next amendment was on page 3, to insert a new paragraph (b), as follows:

(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secre-

tary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.

The amendment was agreed to.

The PRESIDING OFFICER. That completes the committee amendments. The bill is open to further amendment.

Mr. ANDERSON. Mr. President, I call up my amendment "A."

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 2, line 15, it is proposed to strike out the period and quotation marks after the word "Corporation" and insert a colon and add the following: "Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: And provided further, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities."

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. The committee amendments having been agreed to, do I correctly understand that this is the first individual amendment, and it is with reference to line 15 on page 2 of the bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. ANDERSON. Mr. President, this is an amendment which I offered in my name, but in connection with it I wish to associate myself with the Senator from Delaware [Mr. WILLIAMS] and the Senator from Massachusetts [Mr. SALTONSTALL]. The purpose of the amendment is to make sure that the Commodity Credit Corporation assures itself that there are no adequate facilities existing before it can move for the improvement of the storage situation.

I do not desire to take a great deal of the time of the Senate. I believe it is a good amendment. It was adopted by the House committee for precisely the same reasons for which it is offered here. I hope it will be adopted by the Senate.

Mr. LANGER. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I shall be glad to yield to the Senator from North Dakota.

Mr. LANGER. I am not opposed to the amendment, but I should like to have it clarified. Line 7, on page 2, contains the words:

Unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate.

I wish to ask the Senator this specific question: Supposing that in the town of Albuquerque, N. Mex., there are some wheat elevators; that in the season of the year when there is a rush those elevators do not have adequate storage facilities; and that the management says to a farmer, "You have to sell immediately. We cannot store your wheat." Does the Senator not know—I think he does from his experience in the past—that many farmers who desired to store their wheat have lost money because of the lack of storage facilities? Is not that correct?

Mr. ANDERSON. I think that is correct.

Mr. LANGER. Can the Corporation decide the question in the month of December or January, long before the crop season comes along, and say, "Because of the fact that in previous years the storage capacity has been insufficient, therefore we shall have to build an elevator here so as to provide additional storage space?"

Mr. ANDERSON. I may say to the distinguished Senator from North Dakota that I believe the chairman of the committee has repeatedly stated how the grain storage situation might work out. I believe that in a case in which year after year storage has been insufficient, the Commodity Credit Corporation would move to try to make facilities available at the particular point. But, first of all, it would try to aid private facilities or cooperatives. The last resort would be for the Government to build its own facilities.

Mr. LANGER. I thank the Senator. But may I ask one further question?

Mr. ANDERSON. I shall be glad to yield further.

Mr. LANGER. Suppose the elevator located at a particular place pays insufficient prices over a period of years, or let us say it docks much more than it should dock: In the judgment of the distinguished Senator from New Mexico, would that situation authorize the Corporation to decide the facilities in that area were not adequate?

Mr. ANDERSON. In such a situation I do not think this bill would permit the Corporation to construct new facilities. The purpose is not to police the grain business, desirable as that may be in some localities. The purpose of the bill is to make sure that where existing facilities are not adequate, other facilities may be constructed.

I will say to the Senator that I believe making facilities adequate will do away with most of the things the Senator very properly is worried about. But I do not believe the Secretary of Agriculture or the Director of the Commodity Credit Corporation would be justified in building new elevator facilities in any particular locality merely because it was felt that the existing elevator managements were not ethical in their dealings.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. ANDERSON. I shall be glad to yield further.

Mr. LANGER. I cannot quite follow the Senator. Let us suppose that a farmer has a field on which flax was grown, and the next year there is a

volunteer crop of flax, which is worth only 80 cents to \$1 per acre. There is a local elevator, the management of which says to the farmer, "We shall not pay you anything for this flax. We call it dockage." In other words, the manager of the elevator docks that flax from the farmer. Because of the limited amount of grain raised in that locality there is no private concern which wants to build a competing elevator. Under the police powers of the State, the existing elevator cannot be policed. In such a case how is the farmer to be protected?

Mr. ANDERSON. I tried to answer the Senator frankly, and perhaps that is my difficulty. I have said there is nothing in the bill which, in my opinion, would justify the Commodity Credit Corporation in undertaking to police the grain business all over the United States, and that I believe a great deal can be accomplished by making sure that facilities are adequate. I do not say that would cure all the defects; I simply say I hope the Senator goes along with the bill on the theory that it is a move in the right direction, even though it is not a final move.

Mr. LANGER. I intend to go along and vote for the bill. But does the distinguished Senator, who was formerly Secretary of Agriculture, know of any law which protects the farmer in the situation which I have described?

Mr. ANDERSON. No; I do not. I regret to say that, but I think it is true.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico.

Mr. HICKENLOOPER. Mr. President, I have been very much interested in the section which the Senator from New Mexico is proposing to amend. I think he has a very constructive and clarifying amendment. I believe it strengthens the purpose of the bill, and clarifies many of the points at issue. I think it should go far toward relieving the minds of many who have had questions about the powers of the Commodity Credit Corporation.

So far as I am concerned, I have one sentence which I considered at some length suggesting as an addition to the amendment. Because of the legislative history made here, and because the amendment has been clarified thoroughly, I have decided not to offer the suggestion, because the Senator's amendment has been agreed to by a number of Senators. What I originally proposed to add to the Senator's amendment was the language:

Provided further, That the Commodity Credit Corporation shall not make loans to any person or persons, association, corporation, or other group, for the purpose of providing permanent-type storage facilities.

In view of the discussions in the Senate last Friday, and the statements made by the chairman of the committee and others today, I believe the bill is sufficiently defined and clarified to indicate that it is not contemplated that the Commodity Credit Corporation will go into the business of lending to private or semiprivate corporations, that it will con-

fine its activities to the purposes of the Commodity Credit Corporation, support the prices of commodities, and provide storage space which will belong to the Government, when storage space in the regular commercial channels, or otherwise, appears to be inadequate for the purpose of storing commodities. I am satisfied, and I hope the amendment of the Senator from New Mexico will be agreed to. I believe it is constructive and helpful in the interpretation of the bill.

Mr. WILLIAMS. Mr. President, I rise to support the amendment offered by the Senator from New Mexico, and to urge that the Senate agree to it. It is similar to, and pretty much in identical language, with the amendment which the Senator from Massachusetts [Mr. SALTONSTALL] and I have had printed and which lies on the desk, which we intended to offer, but will not offer if the pending amendment shall be agreed to. I think the amendment of the Senator from New Mexico goes far toward clarifying the intention of the committee and the Congress, at the same time leaving the Corporation adequate power to take care of the situation if an emergency arises. I urge that the amendment be agreed to.

Mr. FERGUSON. Mr. President, in my opinion the amendment offered by the Senator from New Mexico is a good amendment to be added to the bill. I have been trying to get some information from the Department, because there is an item in the budget for \$25,000,000 for the purchase of real estate. Last week, on Wednesday, I furnished the Department a list of some 17 questions, to which I have been endeavoring to get answers, but so far have not been able to get the information I desired. I wondered whether the able Senator from New Mexico might have the answers to the questions I have submitted.

The first question was: In view of the budget request for an appropriation of \$25,000,000 for grain-storage facilities under legislation to be proposed, did the Department of Agriculture justify its request before the House committee? As I understand, they have not justified it. Has the Senator from New Mexico any information on that point?

Mr. ANDERSON. Mr. President—

The PRESIDING OFFICER. Will the Senator from Michigan yield for the purpose of having his question answered?

Mr. FERGUSON. I yield for that purpose, if we might conduct the debate in this way, rather than in the way required by the rules.

Mr. ANDERSON. I am sure the Senator from Michigan realizes that there is no way in the world for me to know whether the Department had to make justification before the Bureau of the Budget. I have been away from the Department since May 1948, and at that time no justification had been made. I doubt if one has been made, but I have no way of answering the question.

Mr. FERGUSON. I assume, then, that the information would not be in the hands of the able Senator from New Mexico as to this item, and I shall have

to wait until the Department sees fit to answer the questions.

Mr. ANDERSON. I regret that I cannot answer.

Mr. SALTONSTALL. Mr. President, I merely wish to add a word in support of the statements by the Senator from Delaware and by the Senator from New Mexico. I have had a good deal of correspondence from persons in the warehouse business in my State, who are very much interested in the adoption of the amendment, and I join with these Senators in hoping it will be agreed to.

Mr. HOLLAND. Mr. President, if the Senator from New Mexico will permit me to do so, I should like to submit a question to him so that his answer may appear in the RECORD. I should like to ask him if it is his intention, and the intention of the other sponsors of the amendment, to provide by the amendment that if, in the sole discretion of the Commodity Credit Corporation, which means the sole discretion of the Secretary of Agriculture, a determination is made that existing privately owned storage facilities for a commodity in question in the area concerned are not adequate, authority will exist, upon that sole determination, for the Corporation to take whatever steps may be necessary to provide adequate facilities. Is that the purpose?

Mr. ANDERSON. If I may reply to the Senator from Florida—

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

Mr. ANDERSON. In the committee, as the Senator well knows, we considered whether there were other ways by which that determination could be reached, but I would not say it was to be based upon the finding of the Department. The answer to the Senator is, yes, this is the sole determination that would be necessary.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. HOLLAND. I should like to point up the answer which the Senator has made, if I may do so.

Do I correctly understand the Senator from New Mexico, in his answer, to hold that it is not the question of fact as to the adequacy of the storage facilities in existence, but the question of whether or not the Corporation, meaning the Secretary, has determined their inadequacy, which determines the right and authority of the Corporation to proceed to supply the additional facilities. Is that correct?

Mr. ANDERSON. I am not sure that I can answer the Senator. Not being a lawyer, not knowing what legal implication there might be in this matter, it was surely my thought that there should be but one finding, and that finding should be by the Corporation, that it had the sole right to determine whether facilities were adequate.

Mr. HICKENLOOPER and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from New Mexico yield, and if so, to whom?

Mr. ANDERSON. I yield first to the Senator from Iowa, and then I shall yield to the Senator from Missouri.

Mr. HICKENLOOPER. It is my impression, hearing the question of the Senator from Florida, that he is differentiating between any connotation that the necessity for a hearing of both sides be had, which might delay action of the Corporation in making its determination, and building the facility, or providing it. He touched upon one phase of this matter, and I have given assurance to persons who have made inquiry about that very point.

It was proposed by at least one Member of the Senate that an amendment be inserted in the bill requiring that the Secretary of Agriculture first canvass the situation, and that some formalized hearing be had or finding made. I believe the Senator will recall, as I know the chairman of the committee will, that in the committee hearings some such suggestions were made. But I believe the committee was unanimous in saying that if a formalized procedure were provided for hearings on these matters, undue delay might occur, and the very purposes of the proposed legislation might be defeated. Therefore I have advised those who were interested in that phase that in my judgment the bill clearly sets forth that the Secretary should not be captious in his findings, he should not disregard all the evidence, that he is expected to use common sense and judgment, and the sustainable information, that is at hand, in coming to a sound conclusion, one which he eventually could sustain under fire if necessary, as to whether or not existing facilities were adequate. I am ready and willing to rest upon that assumption. I feel that we would be endangering the program if in the law, we set up cumbersome machinery which would have to be categorically followed before the construction or supply of adequate facilities could be had.

Mr. ANDERSON. I thank the Senator. I merely wanted to observe that the statement he made was in full accord with what I myself understood the situation to be.

Mr. DONNELL. Mr. President, will the Senator permit me to ask a question with a view of clarifying in my own mind the answer which was made to the question asked by the Senator from Florida [Mr. HOLLAND]?

Mr. ANDERSON. Yes, I yield.

Mr. DONNELL. As I understood, the Senator from Florida, referring to the proposed amendment offered by the Senator from New Mexico, inquired whether or not that amendment contemplated the exercise of the sole discretion of the Corporation, and then the distinguished Senator from Florida said, as I understood, "That is, of the Secretary of Agriculture." Assuming that the bill should pass in the form it has been submitted, with the management of the Corporation to be vested—although in the Board of Directors, nevertheless subject to the general supervision and direction of the Secretary—I take it the proposed amendment offered by the Senator from New Mexico would leave the sole

discretion in the Secretary of Agriculture. The question I desire to ask the Senator from New Mexico is this: Suppose that there shall be adopted later today or at any other time before the bill is passed, an amendment under which the Board of Directors shall continue, as under the existing law, to be appointed by the President, by and with the advice and consent of the Senate, and under which the power of removal shall be vested in the President of the United States, as it is today. On the assumption I have just made of an amendment leaving the law as it is now as to who appoints, who confirms, and who may remove, is it the idea of the Senator from New Mexico that the sole discretion contemplated in his amendment would be in the Corporation as exercised by the Board of Directors of the Corporation?

Mr. ANDERSON. Yes, I would say so.

Mr. DONNELL. I want to be perfectly clear on that point.

Mr. ANDERSON. I think it is that way, regardless of whether we adopt the amendment the Senator from Missouri suggested might be adopted. By my amendment I think the discretion would be in the Corporation.

Mr. DONNELL. Mr. President, will the Senator yield for a further inquiry?

Mr. ANDERSON. Yes.

Mr. DONNELL. I assume that the Senator from New Mexico would concur with me that if the bill, S. 900, should be passed as it originally proposed, so that the action of the Board of Directors is subject to the general supervision and direction of the Secretary, the ultimate decision under the Senator's amendment would be in the Secretary of Agriculture; but that if the Corporation should continue as it is under the present law, subject to the management of the Board of Directors, then the ultimate final discretion under the Senator's amendment would be exercised by the Corporation acting through its Board of Directors.

Mr. ANDERSON. That is entirely correct.

Mr. DONNELL. I thank the Senator.

Mr. HOLLAND. Mr. President, I am very happy over the answers just made by the Senator from New Mexico. The purposes of my question were two. One, as stated by the Senator from Iowa, namely, to bring out as clearly as we could for the RECORD, that no formal course of action is required by the bill which might invite litigation in each case as to whether or not its terms had been accurately and closely and completely followed. And, second, to make the determining factor as to whether or not this authority could be exercised, not the existence or nonexistence of a certain fact, but the making of a determination by the Corporation that the inadequacy existed, so as to make that a conclusive finding, upon which jurisdiction is given by this amendment to the Corporation to go ahead and supply the necessary facilities, rather than to have the accuracy of its findings subjected perhaps in each case to long and tedious and costly litigation.

Mr. HICKENLOOPER and Mr. DONNELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Florida yield; and if so, to whom?

Mr. HOLLAND. I yield to the Senator from Iowa.

Mr. HICKENLOOPER. In order to correct what might be interpreted as some loose language of mine a moment ago when I referred several times to the Secretary in connection with this authorization, I may say that I believe the amendment proposed by the Senator from New Mexico applies equally to the authority of the Secretary or to the authority of the Board of Directors, if the authority is lodged in the Corporation. I referred repeatedly to the authority of the Secretary to make this decision. I want it to apply with equal force and effect to the Corporation, if it operates through a board of directors. In other words, it would apply to whatever authority is set up to operate the corporation.

Mr. HOLLAND. The Senator is correct, and that was the intention of my question.

Mr. DONNELL. Mr. President, will the Senator yield for a question?

Mr. HOLLAND. I yield.

Mr. DONNELL. This is in line with the question just asked by the Senator from Iowa, and in order to make clear, in my own mind at least, what the Senator from Florida means. As I understand, the proposed amendment which has been submitted by the Senator from New Mexico provides for certain determination by the Corporation. I refer particularly to line 7 of page 1. The question I desire to ask the Senator from Florida is this: Even if it be true under the bill, S. 900, as it was originally presented, that the ultimate decision and determination contemplated would be in the Secretary of Agriculture, because he would have, under that bill, the general supervision and direction over the Board of Directors, I assume, and I ask the Senator from Florida if he agrees with me, that if the bill shall be amended so that the management of the Corporation shall be retained in a Board of Directors to be appointed by the President and confirmed by the Senate, and the power of removal of which is vested in the President, then the ultimate determination of these very facts and matters set forth in the amendment of the Senator from New Mexico will be vested and retained in and by the Corporation, represented by the Board of Directors, which has the power of management and direction of the Corporation.

Mr. HOLLAND. In answer I would say that the Senator is correct. The two points I make are equally applicable whether the bill is left as it is now worded, in which case, as the Senator has properly pointed out, the Secretary of Agriculture is really the one who makes the decision, or if the bill is changed so as to make the Corporation function as ordinary corporations do, when the final decision would be vested in the Board of Directors. The point I was trying to make by my two questions would apply equally in both cases. First, that we are not under this amendment

prescribing any formal course which is to be followed by the deciding power in making the determination. Second, that it is not the actuality of the facts as to the inadequacy of the facilities that shall govern, but the fact that the deciding power has made the determination that there are inadequate facilities, that gives the authority to go ahead and construct the facilities which are needed, because, Mr. President, the view of the whole committee, as I understood it at the time this matter was discussed, was that under no circumstances did the committee want to have language written into the bill which would invite litigation in each instance when the Secretary tried to move to supply facilities he found to be inadequate, or the Corporation found to be inadequate.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. I yield.

Mr. DONNELL. I understood the Senator's very clear statement, and I am obliged to him for it. I want to ask him whether or not, however, he has in mind this possible modification of that statement. While the ultimate determination, as I understand, is to be vested in the Corporation under the terms of the amendment of the Senator from New Mexico, there conceivably could be some case of a gross abuse of discretion by the Corporation, could there not? For illustration, we will take a community which needs only 10 warehouses. Suppose there were 10 or 20 or 30 warehouses in the community. The mere fact that the Corporation should determine that additional facilities were necessary would not be conclusive as against complaint that there had been a gross abuse of discretion. Would not the Senator agree that that modification would necessarily inhere in the nature of the language used in the amendment?

Mr. HOLLAND. No; it would be my feeling that that complaint would have to come to the Congress. It is my understanding that this wording leaves the determination to the Corporation or to the Secretary, as the case might be, in which event, if there were an abuse of power, then, of course, there would be answerability to the Congress. But the intent, as I see it, is for the amendment not to leave an open door by which litigation and delay will be invited in each instance where it is found necessary to go ahead and construct additional facilities.

Mr. DONNELL. Mr. President, will the Senator yield for a further question?

Mr. HOLLAND. I yield.

Mr. DONNELL. I wish to say first that I am very glad to have the Senator's idea, because we might as well have it perfectly clear as to what the proponents have in mind. I should like to say also that in my questions I have not in any sense intimated that I am expecting any gross abuse of discretion. I am very much obliged to the Senator for the expression of his idea, which, as I understand, is that this language makes the determination by the Corporation final and conclusive. Is that the Senator's interpretation?

Mr. HOLLAND. That is the understanding of the Senator from Florida.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from New Mexico [Mr. ANDERSON].

Mr. THOMAS of Oklahoma. Mr. President, the amendment now pending has been agreed upon, so I shall be very glad to see it adopted.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

Mr. THOMAS of Oklahoma. Mr. President, the discussion on the floor in the past 2 days during which the bill has been under consideration has developed certain ideas to which I think the Senate should give full consideration. One point relates to the number of members on the Board, and whether or not the members of the Board should be confirmed by the Senate. The bill as originally drawn provided that the Board should consist of either 6 members in addition to the Secretary, which would make 7, or 10 members in addition to the Secretary, which would make 11. The bill now before the Senate provides for a Board of 6 members in addition the Secretary, making 7 in all.

I desire to offer an amendment to amend section 9 of the existing law by striking out the number of 5 in the existing law and making it 7; and a further amendment to section 9 of the existing law by striking out the last two sentences of that section. Those two sentences read as follows:

Employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not comprise, in the aggregate, more than three of the members of the Board.

The Secretary of Agriculture is authorized to appoint an interim Board consisting of five members, including the Secretary, who shall serve until October 1, 1948.

The reason for striking the first sentence to which I have just referred is that under the present law the Secretary or the President must go outside the Department of Agriculture to name at least two members of the Board. So under the present law the Board must consist of at least two members from outside the Department, and it may consist also of three members inside the Department. If the President is to name all the members of the Board, I suggest that this inhibition be stricken, so as to let him name all the members from the Department, if he so desires, or all the members from outside the Department, if he prefers.

The purpose of the original bill was to give the Secretary a little more control over the Corporation by requiring all members of the Board to be members of his Department. First, they would always be on the job; second, they would be under the general supervision and control of the Secretary, because they would be his appointees. If we strike out the number of five under the existing law, the new board will consist of seven members, six besides the Secretary. Appointments would be made by the President and confirmed by the Senate, but the President would not be required

to go outside the Department to name two members, or any number of members. He could appoint them all from the Department if he saw fit to do so.

Mr. President, I offer the amendment.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. BYRD. That means, then, that the President could go entirely outside the Department of Agriculture if he chose to do so. He would have complete freedom of action, either in the Department of Agriculture or outside.

Mr. THOMAS of Oklahoma. He would have entire freedom of action. I think the courts have held that the President cannot be directed as to whom he shall appoint. Under this amendment he could appoint all the members from the personnel of the Department, or he could appoint them all from outside.

The PRESIDING OFFICER. The amendment offered by the Senator from Oklahoma will be stated.

The LEGISLATIVE CLERK. On page 2 it is proposed to strike out lines 18 to 25 inclusive, and lines 1 to 16 on page 3, and insert:

Amend section 9 of the Commodity Credit Corporation Act as follows: (a) Change the number of the Board members from five to seven; and (b) strike the last two sentences of said section.

Mr. THOMAS of Oklahoma. Mr. President, before the amendment can be offered, from a parliamentary standpoint I shall have to ask the Senate to reconsider the first part of section 3. The Senate has already adopted an amendment with respect to line 24 on page 2. In order to offer my amendment I shall have to ask that that amendment be reconsidered.

The PRESIDING OFFICER. The Chair is informed that that will not be necessary. The Senate has already adopted this section, as amended.

Mr. THOMAS of Oklahoma. I ask that that action be reconsidered in order that I may offer my amendment.

Mr. WILLIAMS. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I yield to the Senator from Delaware.

Mr. WILLIAMS. I should like to say to the Senator from Oklahoma that I think he would perhaps clarify the situation somewhat if he would withhold his amendment temporarily and permit consideration of my amendment, which would strike out certain sections of the bill. After that, he could offer his amendment. I think that would be the more orderly course.

Mr. THOMAS of Oklahoma. Mr. President, this is one of the matters upon which we thought we had agreement. If we can have this amendment adopted, I think we can take care of the other sections in short order.

The PRESIDING OFFICER. The Chair is informed that it will not be necessary for the Senator from Oklahoma to make a motion to reconsider. He can offer his amendment to strike out the section as amended and substitute the language which he has presented.

Mr. THOMAS of Oklahoma. Mr. President, I ask for action on the amendment.

Mr. HOLLAND. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. HOLLAND. As I understood the amendment of the Senator from Oklahoma, it did not include the entire section, but only through line 16 on page 3.

Mr. THOMAS of Oklahoma. The Senator is correct.

The PRESIDING OFFICER. The amendment would be to strike out that portion of section 9, as amended, and substitute the language proposed by the Senator from Oklahoma.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. I notice that the amendment of the Senator from Oklahoma goes down to line 16. The amendment I intend to offer would continue beyond that point. It is my understanding that my amendment A, which is on the desk, is acceptable.

Mr. THOMAS of Oklahoma. The amendment of the Senator from Delaware embraces numerous provisions, and I shall have to ask for a division of his amendment. If we can dispose of this amendment, we can take up his amendments in order.

Mr. WILLIAMS. I have no objection to the division of my amendment, provided the understanding is that my amendments will be adopted after being divided.

Mr. ANDERSON. Mr. President, I do not see how that assurance can possibly be given. I do not see how the Senate can be committed to strike from the bill the provision for an advisory board. In the meeting of the Committee on Agriculture and Forestry there was quite a discussion over how the Board should be constituted. After days of discussion, with due regard for the feelings of the Senator from Florida [Mr. HOLLAND], the Senator from Minnesota [Mr. THYE], the Senator from Missouri [Mr. KEM], and other Senators, language was suggested for the creation of an advisory committee. Whether or not the members of the Board of Directors are selected from among employees of the Department of Agriculture, there still might be brought in persons of wide agricultural experience to consult with respect to policies. I know that the distinguished Senator from Oklahoma did not mean to strike out that provision.

Mr. THOMAS of Oklahoma. That was not a part of my amendment.

Mr. ANDERSON. All I am trying to say to the distinguished chairman of the committee is that while I have a preference for the language of the bill over what he has proposed, I am not going to be captious about it. I will accept his amendment. However, I am not going to commit myself thereby to vote for the elimination of the provision with relation to an advisory committee. That was a part of the basis upon which we were able to persuade many Senators to report the bill.

I further suggest to the Senator from Oklahoma that even if his amendment is accepted, corrections will still need to be

made when the bill goes to conference. For example, in the language which he is moving to strike out there is the provision that if an employee of the Department is utilized as a member of the Board and his salary happens to be higher than the salary received by members of the Board of Directors, he will still draw his higher pay. For example, if the Assistant Secretary of Agriculture should receive an increase in salary above \$10,000, and he should be selected for service on the Board, he would not be limited to \$10,000 a year.

I am happy to trust the distinguished chairman to arrive at a satisfactory solution in conference, so that there will be no question about it. But I believe that if there has been any other understanding, we should get to it, because I have said to the Senator from Delaware that although I prefer the language of the bill as proposed by the committee, yet if it will help any to have the members of the Board nominated by the President and confirmed by the Senate, I shall be very happy to join in having that arrangement placed in effect.

As a matter of fact, when the proposal was made, a year ago, to amend the original charter of the Commodity Credit Corporation so as to have the members of the Board nominated by the President and confirmed by the Senate, that proposal was stricken out, not by the Department of Agriculture, but by the Bureau of the Budget. Therefore I am sure I can support the suggestion the Senator has offered.

I do not know what other suggestions the Senator from Delaware has in mind.

Mr. WILLIAMS. Mr. President, I understand that the Senator from Oklahoma proposes that we amend the existing law by increasing the number of Directors of the Board of the Commodity Credit Corporation from five to seven, but first I think we should settle for once and all the question whether or not the Secretary of Agriculture will run the Commodity Credit Corporation. The question of whether he is to run it with five figureheads or with seven figureheads is immaterial.

Before voting on the number of directors, I think we should vote on the question whether or not the Secretary is to have complete control over the Corporation. The Senator's amendment does not touch at all the provision on the first page of the bill, which would place the supervision and direction of the Corporation in the hands of the Secretary of Agriculture, and that is the arrangement which I definitely oppose.

I thought it was definitely understood with the Senator from Oklahoma that we would vote on this issue as a distinct and separate matter. If the Senator from Oklahoma sees fit to oppose that request, then we shall discuss it and shall show the Senate why we think it is dangerous to place such unlimited powers in the hands of any official of the Government. This bill unless my amendment is agreed to will place in the hands of the Secretary of Agriculture the power to borrow money, pledging the security of the United States to the extent of \$4,750,000,000 without even consulting the Congress. This is more power than is ex-

ercised by the President of the United States himself.

Certainly it seems to me it is out of order for us to seek to amend existing law by changing the number of directors from 5 to 7 without first deciding what authority will be given to the board of directors.

So I ask the Senator from Oklahoma to withhold his amendment for a moment until we can settle the other question.

Mr. THOMAS of Oklahoma. Mr. President, it was my purpose, after this amendment is adopted, if it is, to ask consideration for a proposal to strike out section 1 of the bill, which provides that the Secretary of Agriculture shall have general "supervision and direction" of the Board. If we provided that the Board shall be appointed by the President and confirmed by the Senate, it would be a hard slap at the confirmed members of the Board to give the Secretary the power to tell them what to do.

If my amendment is adopted, I shall be very glad to support the proposal to strike section 1 from the bill.

Mr. WILLIAMS. Then why does not the Senator from Oklahoma include in his amendment a provision to strike section 1 from the bill?

Mr. THOMAS of Oklahoma. Under our procedure, there is division of questions. I think each question should be decided separately on its merits.

So far as I am concerned, I am agreeable to striking section 1 from the bill.

Mr. WILLIAMS. At this time I am asking for a vote on the proposal which was made this morning. I do not recall that there were exceptions to it, but if there were, at least we have a right to take a vote on the amendment I have proposed. It seems to me ridiculous to increase the Board of Directors from a membership of 5 to a membership of 7, and then simply have 7 dummies, rather than 5, inasmuch as none of them will have any authority to do anything other than to draw the salary unless my amendment is adopted.

Therefore I insist my amendment be considered first.

If the Senator from Oklahoma is going to insist on the amendment as it is, I shall suggest the absence of a quorum.

Mr. MAYBANK. Mr. President, will the Senator withhold for a moment the suggestion of the absence of a quorum and yield to me for a few minutes?

Mr. WILLIAMS. Yes; I yield to the Senator from South Carolina.

Mr. MAYBANK. Mr. President, I realize that we are anxious to dispose of this measure today. I had intended to address myself to it for a few moments. However, instead of doing so, I now ask unanimous consent to have the speech I have prepared printed in the RECORD, together with a copy of a statement by the American Banker regarding the action last Friday of the Federal Reserve Board in announcing a further relaxation in consumer credit controls, Regulation W.

There being no objection, the speech and statement were ordered to be printed in the RECORD, as follows:

Mr. President, last Friday the Federal Reserve Board announced a further relaxation in consumer credit controls, Regulation W.

Since the Committee on Banking and Currency, of which I have the honor of being chairman, recommended to the Senate the legislation permitting the Board to regulate consumer credit, and since I am aware how concerned the small business interests of the country are with the effects of these controls, I felt it was particularly important to keep myself and the committee informed as to the operation and effects of the program. One of my first instructions to the staff of the banking committee when I assumed the chairmanship was to look into the credit-control program and keep it under continuous study.

Our committee, when it reported the legislation last year, Mr. President, expressed the hope that the Board adopt flexible and sensitive policies which will maintain the highest possible level of production and employment in the durable goods industries, on which so much of the Nation's standard of living and well-being depend. The Board has fulfilled that hope.

In January and February of this year the volume of consumer credit decreased and sales in small business establishments throughout our Nation began to fall off. We were in touch with the Board at the time and were in agreement that some relaxation in credit terms seemed to be in order. As you know, the Board on March 7 did decrease the down payment required and increased the period of repayment for a number of items.

We followed the effects closely, and as I predicted at the time, merchants and retailers did not take advantage of the relaxation by increasing prices. I predict they will cooperate in the same way this time, for they know as well as any one that a prosperous business enterprise can only be maintained in the long run by fair prices and good sales volume.

The elimination of all goods costing less than \$100 from credit controls, the decrease in down payments on furniture and appliances from 15 to 10 percent, and the extension of the period of repayment from 21 to 24 months should be helpful, particularly to hundreds of thousands of small-business men and their customers.

The extension of the repayment period from 21 to 24 months on automobiles should prove particularly beneficial to thousands of used-car dealers whose sales have been falling off during the last 6 months. At the same time thousands of families who could not afford to make the high monthly payments up to now will be able to get that long-needed car.

The elimination and relaxation of controls have not and will not result in foolhardy or unfair credit policies. It will merely allow business to resume normal trade practices now that it is possible to allow them to do so. It means, in effect, allowing each businessman to determine for himself in his own interest and in terms of his customers' welfare and circumstances what credit policy he should put into effect.

I want to commend the Board and its Chairman, Mr. McCabe, for its heads-up approach to this problem. It proves false the argument that "once the Government gets its hands on something it can't let go." Congress is more willing to grant increased powers and responsibilities to agencies of the Government when they demonstrate, as the Board has, that these powers and responsibilities are used with caution, discrimination and good sense.

policy to help maintain a stable, high level of economic activity."

So states the Board today in what appears to be a defense of its regulation of installment credit. Included are appraisals of recent changes in this type of credit.

The Board finds there has been some slackening in the growth of installment credit. A decline in the rate of repayment is recorded. With all types of consumer goods available, there came a falling off which was recorded in the fourth quarter of 1948. The demand for many items has weakened.

With the changes in consumer demand and plentiful supply of goods, the Board said it acted to soften the required terms of purchase under its regulation W.

It is too early to appraise the effect of these changes, the Board notes. It adds "there is evidence that some lenders and retailers have not deemed it advisable or necessary to adopt down payments as low as the minimum, or maturity terms as long as the maximum, permitted."

"This emphasizes the point, sometimes overlooked, that the regulation establishes boundary lines beyond which credit terms are not permitted to go. Within the limits set by the regulation, lenders and vendors have discretion to offer terms which in their judgment are reasonable and in line with sound business principles."

The Board observes "there are indications that many retailers and financial institutions will maintain more stringent terms for the sale of furniture, radios and television sets, and certain household appliances than those permitted," under the present regulation.

Looking to the future, the Board "recognizes that regulation, by itself, is of limited effect and is by no means a substitute for broader measures to influence the volume of bank credit."

"However, the area affected by the regulation of the volume of credit in the area is feasible without undue hardship to consumers or excessive interference with business or financing practices."

"It is in this light that the Board, in conjunction with the President and his Council of Economic Advisers, has recommended legislation to continue the authority of the Board to regulate installment credit."

THE NATIONAL INTEREST IN INSTALLMENT FINANCING

The current Federal Reserve Bulletin for April, just issued, spells out the issue on regulation W in terms of its national monetary and credit responsibilities, rather than on the question alone of control on consumer installment credit. In banking circles, where criticism of the installment credit controls has been widespread, along with demand for their abandonment forever, the point raised by the Federal Reserve Board is seldom discussed. Generally it appears assumed that the Federal Reserve Board has sufficient other powers over money and credit, and that specific controls over the installment phase of credit is not necessary.

In the current April bulletin, the Reserve Board states:

"The Board of Governors believes that regulation of installment credit can be a helpful, supplementary tool as a part of a program of credit policy to help maintain a stable, high level of economic activity. The Board recognizes that the regulation, by itself, is of limited effect and is by no means a substitute for broader measures to influence the volume of bank credit. However, the area affected by the regulation is a strategic one, and regulation of the volume of credit in the area is feasible without undue hardship to consumers or excessive interference with business or financing practices. It is in this light that the Board, in conjunction with the President and his Council of Economic Advisers, has recommended leg-

islation to continue the authority of the Board to regulate installment credit."

In other words, the Reserve Board argues that there is a national interest in the volume of consumer purchasing financed by installment credit, and that this is paramount to considerations of the individual consumer's desires for goods, his ability to pay for them over a period of time, and the desire of a bank or other lender to risk its funds in underwriting the installment loans necessary to enable the consumer to mortgage his savings and buy what he wants on the easiest terms he can get.

Bankers are inclined to argue that as lenders they will not overextend credit, and that, if the individual loans are sound, the Nation's installment-buying picture will be sound overall. Non-bank-financed loans, they point out, involve only private capital; if they are not sound, it is only private capital that would be lost.

The Reserve Board sees itself concerned with the volume of such credits as factors in overextending purchasing power in boom times, and overcontracting it—as buyers pay off loans—in times of recession. That issue needs more discussion in banking circles.

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. Would it be in order for me to offer my amendment to the amendment of the Senator from Oklahoma?

Mr. ANDERSON. Mr. President, I was going to ask that the Senator from Delaware have an opportunity to tell us what his amendments are, so that we may consider them in connection with the proposal made by the distinguished chairman of the committee.

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that it would not be in order for the Senator from Delaware to offer his amendment to the amendment of the Senator from Oklahoma, because the proposed amendment of the Senator from Delaware takes in territory additional to that encompassed by the amendment of the Senator from Oklahoma.

Mr. WILLIAMS. Do I correctly understand from the Senator from Oklahoma that he will not withdraw his amendment until this matter can be disposed of?

Mr. THOMAS of Oklahoma. Mr. President, it makes no difference which one we vote upon first. The Senate will have a chance to pass upon both amendments in due course.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

Mr. WILLIAMS. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Connally	Gillette
Brewster	Donnell	Green
Bricker	Eastland	Gurney
Butler	Ellender	Hayden
Byrd	Ferguson	Hendrickson
Cain	Flanders	Hickenlooper
Capehart	Frear	Hill
Chapman	Fulbright	Hoey
Chavez	George	Holland

[From the American Banker of April 21, 1949]
FEDERAL RESERVE BOARD DEFENDS RECORD IN CONSUMER CREDIT AND URGES CONTINUED CONTROL

WASHINGTON, April 20.—The Federal Reserve Board "believes that regulation of installment credit can be a helpful, supplementary tool as a part of a program of credit

Ives	McMahon	Taft
Jenner	Malone	Taylor
Johnson, Tex.	Martin	Thomas, Okla.
Johnston, S. C.	Maybank	Thomas, Utah
Kefauver	Morse	Thye
Kern	Murray	Tobey
Kerr	Myers	Tydings
Knowland	Neely	Watkins
Langer	O'Connor	Wherry
McCarthy	O'Mahoney	Wiley
McClellan	Saltonstall	Williams
McFarland	Schoeppel	Young
McGrath	Smith, N. J.	
McKellar	Stennis	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. WILLIAMS. Mr. President, the amendment offered by the Senator from Oklahoma, if adopted, as I pointed out before, would merely provide for increasing the number of \$100,000 dummies from five to seven. There would be no provision in the bill, if the amendment is adopted without the inclusion of my amendment under which any of the members of the board of directors would have a single power other than advisory powers and the power to collect their salaries. If the amendment proposed by the Senator from Oklahoma were adopted, and the bill passed, there would be seven dummies operating as a board of directors, with no power whatever to formulate policies. They could at any time be overridden by the Secretary of Agriculture. To assist the seven dummies, there would be an advisory board, to which it is proposed to appoint five men, who would draw \$50 a day for coming to Washington to advise the board of figurehead directors, neither of whom have any authority whatever under the bill. I see no sense in it. I think the Senate should determine once for all whether any authority is to be given to the board of directors; if not, then let us keep that group as small as possible. I see no reason for enlarging it to seven \$10,000 men, who, according to the Senator from Oklahoma, are not capable of directing the affairs of the Corporation. The Secretary would still run it since he would have the power to remove from office the first one of them with whom he disagreed. I had hoped the Senator from Oklahoma would withhold his amendment until we could settle the other issue, but, since he will not, I should like to propound another parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. Is the amendment offered by the Senator from Oklahoma open to amendment?

The PRESIDING OFFICER. It is.

Mr. WILLIAMS. Is it in order for me to offer an amendment to the amendment offered by the Senator from Oklahoma, as follows: on page 1, after line 2, to strike out the remainder of the section, through line 9?

The PRESIDING OFFICER. The Chair is advised by the Parliamentarian that such a proposal would enlarge the scope of the pending amendment and therefore would not be in order. It could be offered later as a separate amendment, but not as an amendment to the pending amendment offered by the Senator from Oklahoma.

Mr. WILLIAMS. Mr. President, there would be no object in offering it later as a separate amendment. Either my amendment should be accepted or rejected. First because if my amendment should be rejected I will be placed in the position of having to oppose the amendment now offered by the Senator from Oklahoma.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Nebraska.

Mr. WHERRY. I ask unanimous consent that the Senator from Oklahoma may withhold his amendment and that the Senator from Delaware may be permitted to offer an amendment at this time, ahead of the amendment offered by the Senator from Oklahoma.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, I stated a moment ago that I was agreeable to the amendment offered by the Senator from Delaware, on condition that my amendment is adopted.

Mr. WHERRY. I did not know that.

Mr. THOMAS of Oklahoma. If my amendment should not be adopted, I would not be in favor of the amendment of the Senator from Delaware.

The PRESIDING OFFICER. Objection is heard.

The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS].

Mr. WILLIAMS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WILLIAMS. Mr. President, would a motion to lay on the table the amendment of the Senator from Oklahoma be in order?

The PRESIDING OFFICER. It would be.

Mr. WILLIAMS. Then, Mr. President, I so move.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. WHERRY. May I ask the Senator from Delaware if he will withhold his motion until I address a question to the Senator from Oklahoma?

Mr. WILLIAMS. I shall withhold my motion for that purpose.

Mr. WHERRY. Mr. President, I should like to ask the Senator from Oklahoma if I correctly understand that the effect of his amendment is to strike out all of section 9, lines 18 to 25, on page 2, and all of lines 1 to 16, on page 3?

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. It changes the number of Board members from five to seven—

Mr. THOMAS of Oklahoma. All it does is to increase the number of Board members from five to seven. The present law provides that the President must select all of the Board members. That section is eliminated, and he can appoint them all from outside or all from inside the Department of Agriculture.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Delaware to lay on the

table the amendment offered by the Senator from Oklahoma.

Mr. WILLIAMS. Mr. President, I request the yeas and nays.

The yeas and nays were ordered.

Mr. THOMAS of Oklahoma. Mr. President, this is a very important question, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WHERRY. A parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is a quorum call in order after a motion to lay on the table has been entered?

The PRESIDING OFFICER. The Chair is advised that a quorum call is in order after the order has been made for the yeas and nays.

Mr. WHERRY. I abide by the decision of the Chair, of course, and shall not appeal, if that is the ruling. I felt differently about it, but if that is the ruling, I bow to it.

Mr. LANGER and Mr. ANDERSON addressed the Chair.

Mr. WHERRY. Mr. President, another parliamentary inquiry. Has any business been transacted since the last quorum call?

The PRESIDING OFFICER. No business has been transacted.

Mr. WHERRY. Then is a quorum call in order, if objection is made?

The PRESIDING OFFICER. It is not in order if objection is made.

Mr. WHERRY. I object.

Mr. ANDERSON. Mr. President—

The PRESIDING OFFICER. Objection is made to a quorum call.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. I have a substitute which I should like to submit. If the amendment of the distinguished chairman of the committee shall be brought to a vote, will I then have an opportunity to present the substitute, or will I have an opportunity to present it before that?

The PRESIDING OFFICER. Motion has been made to lay on the table the amendment which is pending. If that motion shall not be agreed to, the Senator's substitute would be in order. If it shall be agreed to, the whole matter will be on the table. The clerk will call the roll.

Mr. WHERRY. Mr. President, one more parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. No action has yet been taken on the motion to lay on the table, and if the Senator who made the motion desires to withdraw the motion, may he do so without unanimous consent?

The PRESIDING OFFICER. The inquiry of the Senator from Nebraska is directed to the right of the Senator who made the motion to lay on the table to withdraw the motion, is it?

Mr. WHERRY. That is correct.

The PRESIDING OFFICER. On that motion the yeas and nays have been ordered. It can be withdrawn by unanimous consent.

Mr. WILLIAMS. Mr. President, I understand the Senator from Maine desires to make a statement, and I ask unanimous consent that the motion be withdrawn.

Mr. ANDERSON. The Senator can either withdraw it or not withdraw it.

The PRESIDING OFFICER. The Chair will ask the Senator from Delaware to repeat his unanimous consent request.

Mr. WILLIAMS. I ask unanimous consent that my motion to lay the amendment on the table be temporarily withdrawn.

The PRESIDING OFFICER. Is there objection?

Mr. MYERS. Mr. President, am I to understand the Senator from Delaware to indicate that he wishes temporarily to withdraw his motion to lay the amendment on the table, or does he withdraw the motion?

The PRESIDING OFFICER. The request was presented as a request for temporary withdrawal.

Mr. THOMAS of Oklahoma. Mr. President—

The PRESIDING OFFICER. Does that answer the inquiry of the Senator from Pennsylvania?

Mr. MYERS. Yes; but will the Senator from Delaware permit me to ask him a question?

Mr. WILLIAMS. I yield.

Mr. MYERS. Why does not the Senator withdraw the motion? He can always renew it, after the Senator from Maine has an opportunity to address the Senate.

Mr. WILLIAMS. That is what I intended, to withdraw the motion.

The PRESIDING OFFICER. Is there objection?

Mr. THOMAS of Oklahoma. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. THOMAS of Oklahoma. Is a motion to table debatable?

The PRESIDING OFFICER. It is not debatable.

Mr. THOMAS of Oklahoma. Then, Mr. President, if the motion to table was withdrawn temporarily, the question is debatable. I object to withdrawal.

The PRESIDING OFFICER. Objection is heard.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Did not the Senator from Delaware say that he modified his request, so as to ask unanimous consent that he might withdraw the motion completely? There was to be nothing temporary about it.

The PRESIDING OFFICER. That was done, of course, but the Senator from Oklahoma objects.

Mr. THOMAS of Oklahoma. I objected to temporary withdrawal, not permanent withdrawal.

The PRESIDING OFFICER. The Chair will ask the Senator from Delaware to state his unanimous-consent request again.

Mr. WILLIAMS. I asked unanimous consent to withdraw the motion.

The PRESIDING OFFICER. Is there objection to the withdrawal of the motion to lay the amendment on the table? The Chair hears none, and the motion is withdrawn.

POTATO PRODUCTION PROGRAM

Mr. BREWSTER. Mr. President, I wish to speak briefly on a matter that is not entirely extraneous to the present discussion, and I trust that during the brief time I shall take there may perhaps be progress in the adjustment of whatever the other problem is.

I wish to address myself to the repeated statements of the Secretary of Agriculture regarding the potato production program, as it is a matter of very great concern to many of us that the use of potatoes at all, and the extent to which they are used, should be employed as an excuse for such a violent alteration of the agricultural program.

I have before me the most recent statement of the Secretary of Agriculture, before the House committee this morning, and I shall quote briefly from it. Mr. Brannan said:

I believe a satisfactory production-payment program can be operated for a great deal less money than we have been spending on potatoes.

Then on the next page he said:

With the use of \$225,000,000, we could have reduced the price to consumers to about \$1 per bushel and retained the farm price at the support level.

In other words, in one breath he says he could have saved money, and in the next breath he apparently contemplates the expenditure of the \$225,000,000.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. BREWSTER. I yield.

Mr. LANGER. Does the Senator from Maine observe that possibly a deal is being made between the distinguished minority leader, the able Senator from New Mexico and the fine Senator from Delaware? I see them talking together on the floor and deals on the floor seemed to assume a certain notoriety on Thursday—rather than making them in the cloak rooms.

Mr. BREWSTER. I am certainly not able to overhear the discussion, but I welcome the participation of any Senators in discussions calculated to expedite and economize the Government's financial program.

Mr. LANGER. I might add that that is what I tried to do last Friday night.

Mr. BREWSTER. I emphasize "economize."

Mr. THYE. Mr. President, will the Senator from Maine yield?

Mr. BREWSTER. I yield.

Mr. THYE. I wish that the Secretary of Agriculture in his public discussions and statements, both through the press and over the radio networks, would state specifically that one of the reasons why the potato-support program has cost the Commodity Credit Corporation and the Federal Government as much money as it has actually cost is because we were unable, in the Eightieth Congress in any manner to protect ourselves against the enormous costs of the Steagall amend-

ment which was entirely an incentive payment program, an incentive program to increase production, and that if we had not been defeated in our attempt to provide a long-range agricultural program effective in the calendar year 1949, instead of commencing in the calendar year 1950, we might have avoided to a great extent some of the excessive costs which the Secretary of Agriculture has been referring to and discussing. What the Secretary was confronted with in the calendar year 1948 was the support price written into the law fixing his powers, it being made mandatory on the Secretary that he should support potatoes at not less than 90 percent, and that the acreage planted to potatoes was not an excessive acreage on the part of the growers. The growers produced this excessive amount of potatoes on 30 percent less acreage than previous years. The Secretary was bound by wartime legislation which specifically provided he must continue for 2 years after the end of hostilities, and the end of hostilities came when the President acted by executive order December 31, 1946. The Steagall amendment for 2 years thereafter, ending December 31, 1948. All the excessive costs to which the Secretary referred have been incurred because we were unable in any sense to amend the wartime legislation in the Eightieth Congress.

The VICE PRESIDENT. The Chair will admonish the Senator from Maine that he can yield only for a question, and not a speech.

Mr. BREWSTER. I gathered that the Senator from Minnesota was inquiring whether I understood what he had been stating.

The PRESIDING OFFICER. The Chair failed to hear the interrogation.

Mr. BREWSTER. The Senator should have had a rising inflection at the conclusion of his statement. At any rate, I hope I will not be penalized for the errors of either my colleague or the Chair.

Mr. President, in the discussion of the potato program all through this past year there has been repeated reference to the potato program as a monstrous example of the fallacy of the present law. That naturally is a matter of great concern to those interested in the potato farmers of the United States, and I think much of the criticism has been unwarranted, so far as its political import is concerned.

It has been intimated that the present situation is the result of the law passed by the Eightieth Congress. In my judgment, such a statement has absolutely no warrant in the record. The present law, under which we are functioning, was enacted by the Congress during the war years, with the support of both Democrats and Republicans, although the Democratic Party was in control in both the Congress and the executive.

I have no criticism to make of the action of the Congress in the war years in stimulating the production of potatoes by the means adopted, through the so-called Steagall amendment. It may be said that the present expense of the program could be attributed to the action of

the last Congress, the Eightieth Congress, because of the fact that at the present time the potato crop of 1948 is being bought by the Government as a result of the extension of the time allocation. Therefore there could be technical support of the contention that it was the result of the action of the Eightieth Congress.

Permit me to point out, however, that the entire motivation of that action was the plain and very essential fact that the potato crop of 1948 would be going into the market during 4 months. I speak with rather intimate knowledge, because it is during January, February, March, April, and May that the Maine potato crop, which is the largest in the country, is marketed.

It is quite true that if the law had not been amended in 1948 by the Eightieth Congress there would not have been in effect any program to take care of the potato crop remaining on January 1, 1949, as a result of the 2 years' extension, which ran to December 31, 1948. However, I do not believe any Member of this body, I do not believe any member of the Department of Agriculture, I do not believe anyone in this country, is so naive as to assume that if that law had not been extended, the Government on December 31, 1948, would not have owned every bushel of potatoes remaining from the 1948 crop. The Government was obligated up to December 31, 1948, not under a Republican law, but under the Democratic wartime law, to take all of the surplus potatoes on hand, and so far as the State of Maine or the State of Idaho or any other potato-producing State was concerned, if the farmers had known on December 31, 1948, that \$1.75 a bushel would be paid for their potatoes, and that on January 1, 1949, there would be no Government support price program at all, it does not take very much intelligence to know that the farmers would have been sufficiently capable of sizing up the situation and selling their entire crop to the Government, which would have presented a perfectly insuperable problem in the matter of storage and marketing. Therefore, so far as the 1948 crop was concerned, the Eightieth Congress, with, I think, unanimous action, extended the time for the support price for the remainder of the crop-marketing year.

The State of Maine was chiefly concerned because most of our potatoes are marketed in the closing winter months, after potatoes in Long Island, Pennsylvania, New Jersey, New York, and all the other States have been marketed as a result of long-time marketing practice.

In my judgment this does not warrant any suggestion that the Eightieth Congress was responsible for the war program of incentive payments as to potatoes or anything else. Nor am I criticizing the Democratic Party for having taken the action referred to during the war years, in order to win the war and to secure the production of essential food. I am merely trying to clear the record so that the Secretary of Agriculture will have no occasion hereafter to suggest that the Republican Party or the Eightieth Congress was primarily re-

sponsible for the \$225,000,000 it has cost this year to retire the surplus of the 1948 crop.

As to whether or not the proposed bill which I have discussed, which I understand is not yet in existence, the bill which Mr. Brannan, the Secretary of Agriculture has been discussing, would provide any improvement, I assume it remains to be demonstrated after we see the provisions of the bill. These repeated attacks upon the potato program, which has been singled out from all the other programs for a variety of reasons, with the apparent purpose of discrediting the entire historical program, should not continue.

Mr. Brannan has suggested at times that the potato support program in the last 8 or 10 years has cost \$400,000,000. I think that is correct. But he has used these words so generously and so loosely that in one of the most reliable newspapers in the country—I refer to the Christian Science Monitor—one of its most reliable reporters, Miss Josephine Ripley recently printed as a lead on its front page that the potato support program for 1948 had cost \$400,000,000. I am sure an examination of the RECORD would show there is no warrant for that statement. Mr. Brannan points out today that it is \$200,000,000 to \$225,000,000. But it shows the extent to which this exceedingly misleading propaganda has permeated the avenues of information, even those we sometimes consider most sacrosanct.

Now as to the best way of handling this situation, Mr. Brannan says:

I believe a satisfactory production payment program can be operated for a great deal less money than we have been spending on potatoes.

When the CCC has fulfilled its obligations under the existing law to support the price of potatoes for the marketing season of 1948, it will have expended approximately \$225,000,000. This program will have maintained the price to producers at an average of \$1.75 per bushel for grade A potatoes. The total production last year was 445,000,000 bushels. Therefore, in order to maintain this level it will be necessary to withdraw from the market and dispose of approximately 123,000,000 bushels. With the use of \$225,000,000, we could have reduced the price to consumers to about \$1 per bushel and retained the farm price at the support level.

Let me make it very clear, that, in my opinion, the major portion of the potatoes withdrawn from the market during the 1948 season represents excessive and unjustified production, which by the use of production payments, acreage allotments, or marketing quotas, or marketing agreements and orders, should be eliminated in future years so that such losses to the Government on a single crop would not be incurred.

We are actually operating this year—I refer now to the 1949 crop year—on a potato program under the new law enacted by the Eightieth Congress, which established the so-called flexible parity, that is that the figure may be determined at from 60 percent to 90 percent of parity. The Secretary of Agriculture last November, in the exercise of his discretion, decreed that the support price for potatoes for the current crop year 1949 should be 60 percent instead of 90 percent. He also enforced marketing agreements under that law so that

cooperating producers would cut their crops by an average of 25 percent. It is true that many have not cooperated because of the absence of what were considered adequate enforcement measures. So far as my part of the country is concerned, the great majority of potato producers have cooperated and are under that restriction at this time—not only of a 60 percent parity support, but a 25 percent reduction in acreage.

I talked with Secretary Brannan the other day and he told me that in 1949 apparently there would be another similarly excessive crop. In 1948 445,000,000 bushels of potatoes were produced. The estimate of the apparent requirements of this country was 350,000,000 bushels. I have used that figure not only because it represents the normal consumption, but because under our tariff act and under our agreement with Canada, it is provided that if production of potatoes in any crop year falls below 350,000,000 bushels for the year, then Canadian potatoes may come in under tariff concessions to make up the difference between our production and 350,000,000 bushels. That certainly is a clear implication that 350,000,000 bushels is a normal crop, and one that is adequate for our needs. We produced 445,000,000 bushels in 1948, and it has resulted in the necessity of very large Government purchases.

Now is there warrant for Secretary Brannan's statement that this year we are going to face a similar situation? That is the statement which has apparently been implicit in much of his discussion of this matter.

I have before me the official figures by which alone any estimates could be formed. There are, as yet, no estimates from the Department of Agriculture of an official sort as to what the production will be. The intentions to plant for 1949 by the potato farmers—and this is from the Department of Agriculture—cover 1,980,000 acres. This—and again I gave the official figures—is about 7 percent less than was planted in 1948, when 2,127,300 acres were planted. In other words, so far as acreage is concerned, planting will be down 7 percent. The acreage reduction will be around 20 or 25 percent in the State of Maine, and less proportionate reductions in other areas where potato farmers are not cooperating. This compares with a 10-year-average acreage of 2,998,700. This year's acreage is 29 percent less than the acreage for the 10-year period. That certainly is an indication that, so far as acreage is concerned, there has been an enormous reduction even under the operation of this program, and all the stimulus incident to the potato-support programs during the war years.

The 10-year-average production of potatoes was 392,000,000, which is practically 400,000,000, or about 50,000,000 more than apparently would be required for normal domestic use. There are no figures as to production outside the southern crop, as to which there has been an increase. However, the so-called early potatoes are a really negligible factor in the total production. I have now before me the figures for Florida and the early Texas crop. They

produced 3,599,000 bushels as against 3,168,000 bushels for the growing season of 1948. That is an increase of about 400,000 bushels. That was the result of the Department's advice of unusual growing conditions. But I point out that is approximately only 1 percent of the total of the country, and certainly since the conditions are so utterly diverse, is nothing on which we could base a reasonable estimate as to whether conditions in the North or the West would be good, bad, or indifferent. In other words, it seems to me impossible at this time to anticipate what kind of a crop we will have in the State of Maine, where the crop will not even be planted for another month. It will be the first of June before the Maine acreage is in the ground. Whether the same thing is true of Idaho I do not know, but in most areas the crop is only now being put into the ground.

I want to be entirely fair to Mr. Brannan and to say that the estimates of conditions on early potatoes are accurate and correct. I have before me the estimated condition on April 1, when on the basis of a 10-year average it was 73 percent, on the basis of the 1948 average it was 77 percent, and in the case of the 1949 crop for early potatoes it was 85 percent.

In other words, there was an indication that conditions in the South were more favorable, that a larger crop would be produced, and such has actually been the fact so far as Florida and early Texas potatoes are concerned. The Department neglected, however, to point out that one of the factors in the southern situation has been the admission of a considerable quantity of Canadian potatoes, which were permitted to come in for seed purposes, but were sold very widely in Florida in plain violation of our reciprocal trade agreement, and especially of agreements by our State Department, as table stock. We took it up with the State Department. The State Department told us to go to the Department of Agriculture. We took it up with the Department of Agriculture, and the Department of Agriculture told us to go to the Commerce Department. So we were in a circle. As a result many of the Florida potatoes were obliged to be dumped on the Government at support price because Canadian potatoes were being consumed in Florida at that time.

Mr. HOLLAND rose.

Mr. BREWSTER. I am glad to see that the Senator from Florida [Mr. HOLLAND] is interested, because this was a matter of very great concern to all of us throughout the country.

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. BREWSTER. I yield.

Mr. HOLLAND. I am afraid that I did not catch all of the Senator's remarks with reference to Florida. I wonder if the Senator from Maine would start where he brought Florida into the picture and repeat from there on?

Mr. BREWSTER. I pointed out that there had been an increase in production of potatoes this spring in Florida and Texas, as a result, apparently, of un-

usually favorable growing conditions. I pointed out, however, that this was no criterion as to the remainder of the country, because the entire production in those two areas was only a little more than 3,000,000 bushels, which is about 1 percent of the 350,000,000 to 400,000,000 bushels we will produce in the country; and that early potato conditions have very little relation to the climate of Maine, Idaho, or other States. However, I pointed out that one of the reasons why we had to expend some Government money in retiring the Florida potato crop this year was not the unusual production, but was the result, even in spite of the 60 percent of parity support price, of permitting Canadian seed potatoes, which under the reciprocal trade agreement and under the special diplomatic arrangement of last November were permitted to come in only for seed purposes under careful restriction, to be sold as table stock in Florida. Without comparing the attractiveness of Canadian seed potatoes with Florida early market potatoes, it was evident that a good many people in the markets in Florida bought the Canadian seed potatoes, which were widely sold.

We reported this to the State Department and asked them to stop it. They said they could not do it, and referred us to the Department of Agriculture. We went to the Department of Agriculture and were told, "That is up to the Department of Commerce. They handle imports." We took it up with the Department of Commerce, and were referred back to the State Department. We were run around in a circle. We could see what the impact of this situation was going to be.

That is why I feel that Secretary Brannan has done far less than justice to the entire potato industry of the country in the presentation which he has made and in his repeated exploitation. He announced last Friday that Rhode Island had the highest potato support in the country. It was something like \$23,000 a farm. When we looked into the situation further we found that only 34 farms were involved. So Rhode Island did not register very high as a great potato-producing State.

I think that is hitting a little below the belt. I think Mr. Brannan, as a public official, should try to give a fair picture; and I think he should tell the country pretty soon that we are not operating under the democratic law of 1940—I am not criticizing that law—and are not operating this crop year of 1949 even under the extension of the earlier law by the Eightieth Congress which covered the retirement of the 1948 crop which has cost \$200,000,000; but are operating under an entirely distinct program. Any suggestion that he or anyone else on earth can tell how many potatoes we are going to have under the Aiken-Hope bill of the Eightieth Congress, with 60 percent parity and 25 percent reduction in acreage on the part of cooperators, on the basis of 7 percent of the production of the country, is certainly entirely unwarranted at this time.

For this year the law applies exclusively to potatoes. That was the compromise we reached in the closing hours of the Eightieth Congress—that potatoes constituted the only crop in the country that would come under flexible price support in 1949. The potato growers were ready to welcome the solution, because they realized that 90 percent of parity had not operated to their advantage or the advantage of the country, and they were ready and willing to accept the flexible price support at between 60 and 90 percent. The Secretary fixed it at 60 percent, with a reduction in potato acreage.

Until the law has had at least 1 year to operate, to see whether it will economize so far as the Government is concerned, and at the same time supply us with the potatoes we need, I believe that potatoes should not be made the "spanking child" of the agricultural program. If this situation continues, so long as Mr. Brannan goes about the country talking about potatoes, and the tragedy of the potato situation, I shall feel it incumbent upon me to stand on this floor, as the only forum in which I can appropriately answer him, and ask him to give the public the whole story of the potato program, past, present, and future, in order that we may consider the farm program now and hereafter in light of a no longer distorted picture of who or what is responsible for the conditions which have prevailed.

Mr. HOLLAND. Mr. President, will the Senator from Maine yield for a question?

Mr. BREWSTER. I yield.

Mr. HOLLAND. My first question is this: Does the Senator have any dependable figures as to the amount of Canadian seed potatoes consumed in this country, improperly, as he says?

Mr. BREWSTER. No, because that operation was entirely irregular and illegal. The only thing we know is the number that were brought in. We received complaints not only from Florida, but from Virginia and North Carolina, where such potatoes were being brought in. Also, I filed affidavits by persons who had seen Canadian seed potatoes in the great restaurants in Florida, obviously being consumed in the restaurants.

Mr. HOLLAND. Has the Senator any figures as to the total amount of Canadian seed potatoes brought into the country?

Mr. BREWSTER. We cannot get the figures any nearer to date than about 2 months ago. They are about 2 months behind in reporting, so we had only February figures. For March we had reports of shiploads of 100,000 bushels of potatoes at a time that were coming in. We were concerned over the problem during March. I took the matter up with the late Senator Broughton of North Carolina. I was to have discussed it with him the morning of his untimely death. He was greatly concerned about the situation in North Carolina.

Mr. HOLLAND. Did the Senator place in the RECORD the figures which he had as to the total amount of seed potatoes stating as of what date they applied?

Mr. BREWSTER. I shall be very glad to do so. I have not the figures as to the total imports. I shall be very glad to get them and place them in the RECORD, if I may have permission to insert them at this point in my remarks.

The VICE PRESIDENT. Without objection, it is so ordered.

Subsequently, Mr. BREWSTER submitted the following memorandum and table for printing in the RECORD:

Canada exported in the United States from its 1948 crop, 7,780,000 bushels. This was the record up to and including the 23d of April. Of this amount 1,100,000 bushels were table stock and 6,680,000 bushels were sent here as seed potatoes.

Under the existing law, the first 1,000,000 bushels of table stock were exported under the low tariff rate of 37½ cents per hundred-weight. The first 2,500,000 bushels of seed potatoes came in under the 37½ cent rate. All of the other potatoes coming in from Canada came under the larger rate by law of 75 cents per hundredweight.

What figures are available showing that because of the Canadian potatoes sent into three Southern States created a depressing local market for native produced potatoes and the United States Government was called upon to purchase Alabama potatoes to the extent of 7,400 bushels. These were purchased by the Government at \$1.20 a bushel under the support-price program of 60 per cent parity. In Florida where larger shipments of Canadian potatoes were made, the Federal Government was called upon to take off from the Florida market 206,000 bushels of native potatoes for which the Government paid Florida producers \$1.92 per bushel. The Government was also forced to go into Texas and take 62,000 bushels of native Texas potatoes off of the Texas market for which the taxpayers paid \$1.92 a bushel. This made a total Federal Government purchase of early State potatoes 275,400 bushels. Now the Government disposed of these by giving the school lunch program 135,000 bushels; awarded the live stock feed 115,000 bushels and the remainder of 25,400 bushels was ground into flour to be sent to Europe for relief purposes.

This is the earliest time in history when the Federal Government was forced to enter local Florida markets to purchase native potatoes because of the inability of native producers to sell their potatoes in the open market.

This was the agreement entered into last November by the State Department and Canadian Government. Under the strict terms that Canadians selling seed potatoes would require a sworn statement by American purchasers that the potatoes would be sold for seed purposes only, the State Department declared that it is not responsible nor was it interested in any enforcement of this agreement and as a consequence the potatoes came in openly as seed potatoes and sold openly as table stock.

Here is a case whereby the action of one department forced a financial loss condition upon another department, all at the taxpayers' expense. These purchases were made by the Department of Agriculture without question.

It is very interesting to know of the following Canadian shipments into our Southern States:

State	Seed potatoes	Table stock	Total
Florida.....	548,658	149,343	698,001
South Carolina.....	113,058	-----	113,058
North Carolina.....	50,000	10,896	60,896
Georgia.....	359,461	41,873	401,334
Virginia.....	629,400	122,680	752,080
Grand total.....	-----	-----	2,035,342

These figures are through February 26 on potatoes shipped direct into the ports of those States, but does not include those shipped into other States.

Mr. HOLLAND. Mr. President, will the Senator further yield?

Mr. BREWSTER. I yield.

Mr. HOLLAND. There is one further question that I should like to ask the distinguished Senator from Maine, and that is this: Upon what official or agency or industry did he place the responsibility, if he placed it, for the improper use of seed potatoes brought in from Canada?

Mr. BREWSTER. The permission for them to come in was the result of a very unusual—and I think almost unprecedented—diplomatic arrangement of last November, when the northern markets were being flooded with Canadian potatoes and the Government was retiring great quantities of American potatoes while millions of bushels of Canadian potatoes were being brought in. So the State Department, with a promptness for which I very much congratulate it, made an agreement with Canada that this would not be permitted to be done, except for seed potatoes in specified areas and at specified times.

Therefore, when this question arose we went to the State Department. The State Department apparently took the position that the implementation of the agreement was none of its business. We were told to go to the Department of Agriculture. We went to the Department of Agriculture and were told to go to the Department of Commerce, which handled imports. We went to the Department of Commerce, and were told, "That is the business of the State Department." We were unable to place the responsibility for the enforcement of that agreement. The State Department rather threw up its hands and said that it was a rather nice agreement, but that no one could enforce it. That gave us a great deal of concern. The taxpayers of the United States were paying the bill. For every bushel of Canadian seed potatoes improperly used, a bushel of potatoes had to be bought from the Florida crop by the Government, at the support price. So the joke was not really on the potato growers. It was on the Government, which was paying the bill.

A little while ago I mentioned Rhode Island in connection with the price-support program. I stated that 34 farms received an average of \$23,000 a farm. If that were typical of the rest of the country, it might well be occasion for concern. I believe that even the Senator from Rhode Island [Mr. McGRATH], who sometimes poses as a farm authority, would agree that potatoes are not one of the matters with which the State of Rhode Island is primarily concerned, and that the incident, so far as Rhode Island is concerned, was entirely casual, and is not likely to recur.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from Oklahoma [Mr. THOMAS] by way of a substitute for the language in lines 18 to 25 on page 2, and lines 1 to 16, inclusive, on page 3.

Mr. THOMAS of Oklahoma. Mr. President, the only point of controversy

is the order in which these amendments shall be presented.

The Senator from Delaware insists that his amendment to strike out section 1 of the bill be handled first. I have no objection to doing that; and in order that we may make progress in handling this bill, I now withdraw my amendment to section 3, and invite the Senator from Delaware to offer his amendment now if he sees fit to do so.

Mr. WILLIAMS. Mr. President, I move, on page 1 of the bill, to strike out the language beginning with line 3 and ending with line 9.

The VICE PRESIDENT. The amendment will be stated for the information of the Senate.

The LEGISLATIVE CLERK. On page 1 of the bill, it is proposed to strike out the following:

That section 2 of the Commodity Credit Corporation Charter Act (Public Law No. 806, 80th Cong.) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')."

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. WILLIAMS. Mr. President, I now move on page 2 of the bill, beginning with line 16, to strike out all down to and including line 16, on page 3. The purpose of these two amendments is to leave the control of this Corporation in the hands of a board of directors appointed by the President and subject to confirmation by the Senate.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, beginning in line 16, it is proposed to strike out all down to and including line 16, on page 3, reading as follows:

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"Sec. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present."

Mr. THOMAS of Oklahoma. Mr. President, I should like to ask the Senator from Delaware a question: Would it be agreeable for me to offer my amendment

in place of the portion of the bill proposed to be stricken out by the Senator's amendment? If I do not do so now, I shall do so immediately following the action by the Senate on the Senator's amendment. He proposes to strike out certain language. My amendment proposes to insert new language, in lieu of the language proposed to be stricken out by the amendment of the Senator from Delaware.

The VICE PRESIDENT. Such an amendment is in order, and would take precedence over the amendment to strike out the entire section.

Mr. THOMAS of Oklahoma. However, Mr. President, if the Senator from Delaware prefers to have action taken on his amendment first, it is agreeable to me to have his amendment voted on at this time.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Delaware [Mr. WILLIAMS].

The amendment was agreed to.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent that the clerk be authorized to change the section numbers of the bill, so that after the bill is passed the section numbers will appear in consecutive order.

The VICE PRESIDENT. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I now offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to add a new section, as follows:

SEC. 7. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors: The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the 'Board'). The Board shall consist of seven members. The Secretary of Agriculture, or his nominee, shall be a member of the Board and the remaining members shall be appointed by the President by and with the advice and consent of the Senate. The Chairman of the Board shall be selected by the Board. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present. The appointed directors shall serve for a period of 5 years, except that the terms of the first Board shall be shortened to provide for replacement or reappointment of its members in number as nearly equal as practicable in each year. The power of removal shall be vested in the President of the United States. The Corporation may provide, by its bylaws, for the compensation to be paid the directors: *Provided*, That the compensation paid any director shall not exceed in the aggregate \$10,000 per annum: *And provided further*, That employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not receive additional compensation for their services on the Board."

Mr. HOLLAND. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. HOLLAND. Under the amendment as offered, does the special provision for the Advisory Board beginning in line 17, on page 3, remain in the bill?

Mr. THOMAS of Oklahoma. It does.

The VICE PRESIDENT. The question is on agreeing to the amendment of the Senator from Oklahoma [Mr. THOMAS].

The amendment was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. WHERRY. Mr. President, may I suggest to the chairman of the committee that the words "Sec. 2", at the top of page 2, should be stricken out, and—

Mr. THOMAS of Oklahoma. Let me remind the Senator that I have already obtained unanimous consent to have the clerks change and correct the section numbers, after the bill is passed.

Mr. ANDERSON. Mr. President, I have another amendment at the desk, and I offer it at this time.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. On page 2, line 15, after the word "corporation," it is proposed to strike out the period and quotation marks and add the following:

And, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. In effecting such exchange of goods, normal commercial trade channels shall be utilized insofar as practicable and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act, supra; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile.

Mr. THOMAS of Oklahoma. Mr. President, will the Senator from New Mexico yield to me?

Mr. ANDERSON. I yield.

Mr. THOMAS of Oklahoma. This matter has been generally discussed. So far as I know, there is no serious objection to the amendment, and I hope it will be adopted.

Mr. GURNEY. Mr. President, will the Senator yield to me?

Mr. ANDERSON. I yield to the Senator from South Dakota.

Mr. GURNEY. As the Senator from New Mexico knows, I have offered two amendments which in my opinion make the amendment offered by the Senator from New Mexico square with the Strategic Materials or Critical Materials Act of 1947, as I believe the date is. I ask the Senator whether he is willing to accept additional wording as follows:

On page 2, in line 4 of the Senator's amendment, after the word "piling," to

add "and the determination of which materials are strategic and critical."

Mr. ANDERSON. Mr. President, I modify my amendment accordingly.

The VICE PRESIDENT. The amendment will be so modified.

Mr. GURNEY. Mr. President, will the Senator yield further?

Mr. ANDERSON. I yield.

Mr. GURNEY. It is my belief, and I have so expressed it to the Senator from New Mexico, that we should not have two agencies spending out of the strategic materials fund at the same time, and that therefore there should be one controlling agency. In order to be sure that that is done, I suggest to the Senator from New Mexico that he also accept additional wording, in line 9, on page 2 of his amendment, after the word "shall," as follows: "to the extent approved by the Munitions Board of the National Military Establishment."

Mr. ANDERSON. Mr. President, I modify my amendment accordingly.

The VICE PRESIDENT. The Senator from New Mexico so modifies his amendment.

The question is on agreeing to the modified amendment of the Senator from New Mexico.

Mr. GURNEY. Mr. President, to the amendment of the Senator from New Mexico, I now offer the amendment which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. At the proper place in the amendment, it is proposed to insert the following:

Notwithstanding the foregoing, no reimbursement shall be made to the Commodity Credit Corporation from such funds for the first \$250,000,000 worth of materials so transferred.

Mr. ANDERSON. Mr. President, I regret to say that I do not find myself in agreement with the distinguished Senator from South Dakota on this matter, because it merely provides that \$250,000,000 more shall be added to the stockpile fund. While I should be very happy to have that done with commodities which the Commodity Credit Corporation might acquire, it seems to me that a proper respect for the appropriations committees of the Senate and the House of Representatives and for the other committees properly handling that matter would prohibit us from accepting the amendment.

I shall be willing to add the following language:

Provided, however, That nothing herein contained shall limit the authority of the Corporation to acquire and hold such quantity of strategic and critical materials as it deems advisable in carrying out the functions of the Corporation and protecting its assets.

In that case, it might be possible for the Critical Materials Board to suggest to the Department that it was not ready to accept and pay for certain quantities of materials, but that it believed the Department would acquire them, and that it could indicate the fields in which the Department could operate.

But, Mr. President, I would hate to see an appropriation of \$250,000,000 made in this way.

Mr. GURNEY. Mr. President, I submitted the first two amendments to the Senator from New Mexico, and he and I were in complete agreement on them, and I thank the Senator for accepting them as modifications of his amendment.

I knew that he had differences of opinion with me in regard to the amendment which has been offered now to his amendment.

As I see it, the amendment offered by the Senator from New Mexico would create another agency, another sales agency or another purchasing agency, for critical minerals and materials. It would allow the Department of Agriculture to go into world markets wherever possible, to search out those who are in need of foodstuffs and other commodities, including wheat, corn, cotton, and anything else those countries may need more than they need minerals, which in the United States are critical. Therefore I completely favor the Senator's amendment. I believe it is a good idea where we can to trade the grain surpluses of this country for critical minerals and materials of all kinds which we might sorely need.

Still, as I see it, the Senator's amendment merely creates another buying agency, for it is limited entirely to appropriated funds. Last year, as I remember it, we appropriated approximately \$400,000,000 for the purchase of critical minerals and other materials and there was unobligated, as of January 1, 1949, about \$78,000,000. My amendment seeks not only to obtain more critical minerals and materials, but also to increase the ability of the Department of Agriculture to trade surplus grains, and so forth, on which we should otherwise be required to take a loss. I believe the Congress would much rather appropriate additional money to pay for critical materials than to appropriate money to take care of operating losses incurred by the Commodity Credit Corporation.

Without question there will be losses to the Commodity Credit Corporation. It is the responsibility of the Corporation under the job we have given them to take care of and regulate the total subsidy paid on farm products. We know there will be a loss, because the Corporation does not begin its operations until the market is less than loan value. I think our experience in the last few years has been that, because of subsidy payments, operating losses have run into huge amounts. I may say there are indications, at least in one bill, to the effect that others in Congress know we need additional huge amounts of critical mineral and materials. I know of one bill which mentions a total of \$5,000,000,000. In other words, the idea is to authorize the National Military Establishment to purchase necessary critical minerals for our stockpiles and to issue notes backed by the minerals and other materials in the stockpiles.

Mr. MAYBANK. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from South Carolina?

Mr. GURNEY. I gladly yield.

Mr. MAYBANK. If I correctly heard the distinguished Senator, he spoke about a \$250,000,000 authorization. Is that correct?

Mr. GURNEY. That is correct—an additional authorization.

Mr. MAYBANK. Is it not a fact that the amount authorized, together with the appropriation, totals about \$750,000,000? The second deficiency bill, which has already passed the House, includes an appropriation of \$50,000,000 cash, and an additional authorization of \$270,000,000, does it not?

Mr. GURNEY. I believe that is correct. The only thing I can base my statement on is the legislation enacted in previous years, and the stock-piling report, which I believe shows a total appropriation of \$400,000,000 last year, practically all of which was obligated as of January 1, 1949.

Mr. MAYBANK. Is it not a fact that the Treasury and Post Office bill, consideration of which has just been concluded by the committee, includes an item of \$39,000,000 over and above the amount previously appropriated? I mean, there is a supplemental appropriation of that amount to carry out the authorization is there not?

Mr. GURNEY. I can readily believe that.

Mr. MAYBANK. The second deficiency bill came from the House very recently. While the Committee on Appropriations has not yet considered it, I notice from reading it that it contains a request for \$50,000,000 additional cash to be used in the purchase of strategic materials by the Treasury Department; which, as the Senator knows, has been making purchases. That is in addition to the authorization of \$270,000,000.

Mr. GURNEY. The requests for additional funds, contained in the deficiency bill, I am quite sure result from the fact that, above the actual amount of cash appropriated by the last Congress, provision was also made for contract authorizations. The contract authorizations for the prior year are now coming up for payment. That is my belief.

Mr. MAYBANK. The contract authorizations are now being necessarily increased, owing to the fact that the second deficiency bill calls for new contract authorizations involving an additional \$270,000,000.

Mr. GURNEY. I thank the Senator very much. In that connection I may say I am quite sure there are many who believe we should authorize additional purchases of critical minerals and other materials.

Mr. CORDON. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Oregon?

Mr. GURNEY. I am glad to yield.

Mr. CORDON. Is it the Senator's view, as it certainly is the view of the Senator from Oregon, that the need for critical materials to add to the stock pile of this

country is far greater than the available funds for the purchase of such materials will provide?

Mr. GURNEY. I believe that sincerely, and I have indicated that bills have been introduced seeking to grant authorizations as high as \$5,000,000,000.

Mr. CORDON. Could the Senator conceive of any use to which commodities purchased by the Commodity Credit Corporation in order, as is required, to maintain a reasonable price on commodities, could be put than to exchange them on a fair basis for the equivalent in scarce strategic minerals, and could the United States in any other way get a better value for the commodities so purchased?

Mr. GURNEY. I entirely agree with that statement by the Senator. I think double benefits are to be received; first, if we can trade surplus commodities to other nations and get such commodities out of our country and out of the hands of the Commodity Credit Corporation, that will tend to help the domestic market for the remaining farm products still to go to the market. That is the first benefit. The second benefit, as I think we will all agree, is that we need critical minerals and materials of all kinds. I am thinking at the moment of manganese.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from South Dakota yield to the Senator from Nebraska?

Mr. GURNEY. I am glad to yield.

Mr. WHERRY. I may say to the distinguished Senator that I am in complete sympathy with his first two amendments, and with what is attempted to be done. But I should like to ask this question: If I recall the amendment that was read by the distinguished Senator, it provides that no other appropriation shall be made to reimburse the Commodity Credit Corporation. Is that correct?

Mr. GURNEY. That is correct.

Mr. WHERRY. Therefore, it is not an additional authorization of funds, is it?

Mr. GURNEY. That is absolutely what it is. We have in other bills given the Munitions Board power to make contract authorizations, and, as the Senator from South Carolina has so aptly stated, we are now getting the bill to pay for those prior-year contract authorizations. The purpose of my amendment is to give the Secretary of Agriculture, through the Commodity Credit Corporation, if you please, the same contract authorization, so that the Secretary may use surplus commodities in an effort to acquire critical materials. It would be a contract authorization. If the Secretary finds the critical materials, they will have a cash value. He will have to turn them over to the Munitions Board, the custodian of the stock pile. Therefore, if the amendment is adopted, the Congress can expect to receive a bill to pay for this additional contract authorization. But by incorporating the provision in the amendment of the Senator from New Mexico, as it is now worded, the entire program will be the responsibility of the Munitions Board as

to amounts, what commodities are critical, and so forth.

Mr. WHERRY. Mr. President, will the Senator yield further?

Mr. GURNEY. I am glad to yield to the Senator from Nebraska.

Mr. WHERRY. I understand that this is an authorization. An appropriation will be asked for after the authority has been exercised by the Commodity Credit Corporation. Is that correct?

Mr. GURNEY. After the Department of Agriculture has been successful in trading surplus commodities for critical materials of which the Munitions Board sees the need.

Mr. WHERRY. So, until that shall happen, it is not an appropriation, and when it does happen the Appropriations Committee would have jurisdiction over the appropriation. Is that correct?

Mr. GURNEY. That is correct. It is actually a contract authorization, which indicates an approval by Congress of the proposition that we should rather appropriate for critical materials than to appropriate for a basic operating loss in commodity credit a year from this time.

Mr. McFARLAND. Mr. President, will the Senator yield for a question?

Mr. GURNEY. I shall be glad to yield to the Senator from Arizona.

Mr. McFARLAND. I should like to ask the Senator if it is not giving a war board too much authority. Some of us want to see legislation adopted which will provide for the use of marginal mines to produce critical minerals for stock-piling. This would help develop mining in our own country which, as we found in the last war, is very important to our national defense. I would want to see careful consideration given as to how the Senator's amendment would affect the program provided for in pending legislation before the amendment is adopted.

Mr. GURNEY. I will say, in answer to the Senator, that I think the question is completely covered, because the Senator from New Mexico [Mr. ANDERSON] has accepted an amendment making it possible to deal only to the extent approved by the Munitions Board, and that only such strategic and critical materials shall be bought as are requested by the Munitions Board. It will operate, under the Critical Materials Act, the same as would purchases made for cash by the Munitions Board. It all comes under the act which was passed last year.

I am as jealous as is the Senator from Arizona of our domestic production opportunities, but I still think that today the world situation is so critical that we should take more vigorous steps to acquire commodities which we need at this time. Therefore, I have limited the amount specifically, and it is much less than has been indicated by other Senators as being asked of Congress.

Mr. McFARLAND. Mr. President, will the Senator yield further?

Mr. GURNEY. I yield.

Mr. McFARLAND. I do not say that in the end I shall object to this type of provision, but I do say it should not come as an amendment to this bill. It should come as a separate bill, after careful consideration by a committee. An amend-

ment such as this one should not be adopted on the floor of the Senate until we have had an opportunity to look at it and see how far it might reach and what might result from its adoption.

Mr. GURNEY. I shall try to answer the Senator by saying that I did not bring up the question. It was brought up by the fact that the Senator from New Mexico felt that surplus commodities could be traded for critical materials. Because his amendment did not increase the amount of critical materials on hand, and because I thought it was pretty well agreed that we do need increased amounts, and that we would rather appropriate for critical materials than for operating losses, I offered the amendment which is before the Senate.

The VICE PRESIDENT. The question is on agreeing to the amendment offered by the Senator from South Dakota to the amendment of the Senator from New Mexico. [Putting the question.] The "noes" seem to have it.

Mr. GURNEY. Mr. President, I ask for a division.

On a division the amendment to the amendment was rejected.

The VICE PRESIDENT. The question is on agreeing to the amendment, as modified, offered by the Senator from New Mexico to the committee amendment.

The amendment, as modified, was agreed to.

The VICE PRESIDENT. The bill is open to further amendment.

Mr. WHERRY. Mr. President, may I ask the distinguished Senator from New Mexico a question? I was not on the floor at the time of the discussion of his amendment "A." That amendment was adopted, was it not?

Mr. ANDERSON. It was.

Mr. WHERRY. It provides, in effect, that the Commodity Credit Corporation shall not construct storage facilities for any commodity unless the Corporation shall determine that existing privately owned storage facilities for such commodity in the area concerned are not adequate. Is there anything in the Senator's mind, or was there anything added to the record by him, relative to how the Corporation shall make such determination?

Mr. ANDERSON. I would say to the Senator that the Senator from Florida [Mr. HOLLAND] asked a great many questions about it, as did the Senator from Missouri [Mr. DONNELL]. I think the real purpose of the section, and how the situation would be handled in actual operation, has been developed. It would not be a judicial determination, I will say to the Senator.

Mr. WHERRY. Would there be an investigation and a thorough canvass made as to the facilities?

Mr. ANDERSON. Yes.

Mr. WHERRY. I should like to have the Senator from New Mexico make an observation about it, if he does not mind. It seems to me the amendment which the Senator has offered is a good one, and I would be in favor of it. It was agreed to by a voice vote, and I was not on the floor at the time. I think that a thorough canvass should be made, and

that, if we cannot write it in the bill, it should be not a discretionary proposition, but should be mandatory upon the agency to determine what the facilities are. I had an amendment which I had intended to offer, but the Senator's amendment has now been adopted. If it is the intention that a thorough canvass is to be made and an administrative decision made based upon a complete canvass, we would accomplish what probably could have been provided for in my amendment.

Mr. ANDERSON. I again express the hope that if the Senator will read the remarks made by the Senator from Florida [Mr. HOLLAND] he will find the facts established to his satisfaction.

The VICE PRESIDENT. The question is on the engrossment and third reading of the bill.

Mr. THOMAS of Oklahoma. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a statement prepared by the Department of Agriculture. During the debate, many statements were made on the floor which obviously no Senator could answer. So I took it upon myself to ask the Department of Agriculture to make a statement, and it is that statement which I ask to have printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

SENATOR WILLIAMS' CHARGES CONCERNING STORAGE SITUATION

1. Senator WILLIAMS, in his discussion on the floor of the Senate on April 22, made a number of statements concerning the storage situation, designed to create the impression that the Department's concern over the matter was only political.

A. His statements ignore many of the facts of the matter, as I shall point out.

2. The Senator said the President signed the CCC Charter Act and said nothing against it.

A. While the President did not make a statement concerning the act on the day he signed it (June 29, 1948), he did 4 days later, on July 3, 1948, when he signed the Agricultural Act of 1948.

(1) He had no choice but to sign the CCC Charter Act as it was passed, because the Corporation would have had to cease operations as an agency of the United States after June 30, 1948, if he had not signed the bill.

B. His statement was as follows:

"In connection with the price-support program continued by this act, two points should be noted concerning S. 1322, which I signed a few days ago and which continues the Commodity Credit Corporation. In carrying out the price-support laws it will be necessary to use the Commodity Credit Corporation. In fact, that is the Corporation's primary function. S. 1322 vests control of the Commodity Credit Corporation in a Board of Directors. H. R. 6248, however, makes the Secretary of Agriculture responsible for supporting the prices of farm products at specified levels. This would appear to create an unworkable separation of authority from responsibility. Fortunately, however, there are provisions in H. R. 6248 which require the price support operations of the Commodity Credit Corporation to be carried out under the supervision of the Secretary of Agriculture. Since H. R. 6248 was signed later than S. 1322, the provisions of H. R. 6248 will, of course, be controlling to the extent that the provisions of the two acts are in conflict.

"S. 1322 also prohibits the Commodity Credit Corporation from continuing its longstanding policy of leasing or acquiring land

where necessary for storing commodities as close to the farm as possible. This restriction will mean that the Corporation will have to ship grain for livestock feeding, for example, from farms to distant points for storage, and then later to ship it back again to farm areas. This will obviously increase costs for carrying grain reserves. Only those special interests who will make money by unnecessary handling of grain will profit from this provision—which will in the end be paid for by farmers and consumers."

3. The Senator said no one in Congress, the Department or anywhere found fault with the act until a big corn crop came along and there wasn't enough storage.

A. This contention could not possibly be further removed from the actual facts.

B. On June 16, 1948, the Secretary of Agriculture addressed a letter to the Honorable Clifford R. Hope, Chairman of the House Agriculture Committee, at the latter's request, in which he set forth specifically what would happen if the Charter bill passed as reported out by the House Banking and Currency Committee.

(1) The bill finally passed included the provisions which restricted the Corporation's ability to assist in providing storage in the manner set forth in that letter.

(2) A copy of the letter is attached.

C. Congressman HOPE and Congressman CARL ANDERSEN both attacked the House committee bill when it was considered on the floor of the House.

(1) They could not offer amendments, though they stated they desired to do so, because the bill was considered under a suspension of the rules prohibiting amendments from the floor.

(2) Their comments, and letters from farm organizations, which they referred to, appeared on pages 9020-9021 of the CONGRESSIONAL RECORD for June 18, 1948.

(a) A copy of an excerpt of these comments is attached.

D. Thus, it is apparent that influential and capable Members of Congress, the Department, and the President were all aware of the damage done by the restrictive provisions inserted in the Charter Act by the House Banking and Currency Committee, headed by Congressman Wolcott of Michigan, and later enacted into law under the pressure of the last hours of the session.

(1) Every reader of the CONGRESSIONAL RECORD knew the faults of the act.

4. The Senator said he had no recollection that any Member of the Senate found fault with the bill at the time of its passage.

A. He did not say also, though, that the Senate conferees objected vigorously to the provision restricting the Corporation's ability to provide storage, but in the closing hours of the last session of the Eightieth Congress were forced to agree to a compromise measure in order to avoid killing the Corporation.

(1) There was no real possibility of changing the bill after the conference report was presented.

5. The Senator said the Corporation actually had authority under section 5 (b) of the charter to provide bins to farmers, as long as it didn't acquire them in its own name.

A. Making gifts of grain bins to farmers is not an effective way to solve the grain storage problem.

(1) I doubt that any Member of Congress would approve of this kind of a direct subsidy to certain farmers.

B. The Corporation could not in a sound manner aid in providing storage without power to acquire or lease real property.

6. The Senator accuses the Department of delay in getting its recommendations to Congress.

A. The Department submitted its recommendations in a letter to the President of the

Senate on February 7, 1949, only 15 days after the Eighty-first Congress convened.

7. The Senator states that the charge last fall that the Eightieth Congress was responsible for the situation of inadequate storage facilities is a deliberate misrepresentation of the facts.

A. I think I have indicated quite conclusively that it was the Eightieth Congress, which made it impossible for the CCC to do anything more than talk insofar as assisting in providing adequate storage.

JUNE 16, 1948.

HON. CLIFFORD R. HOPE,

Chairman, House Agriculture Committee.

DEAR MR. HOPE: This responds to your oral request for an expression of the views of this Department with respect to the effect upon the operations of the Commodity Credit Corporation of certain provisions contained in H. R. 6263, the Commodity Credit Corporation Charter Act as reported by the Committee on Banking and Currency.

The bill as reported omits from section 4 containing the general powers of the Corporation the power (included in subsection (h) of section 4 as originally introduced) to acquire, hold and dispose of such real and personal property as may be necessary in the conduct of the Corporation's business. This is an essential power. Obviously, the Corporation could not engage in loan, purchase, sales and other operations with respect to agricultural commodities without this power.

As reported, the bill prohibits the Corporation from acquiring or leasing any plant or facility for warehousing, transporting, processing or handling of agricultural commodities or from acquiring or leasing real property or any interest therein except the rental of office space. This prohibition would have the following harmful effects, among others:

The Corporation could not, therefore, lease sites for the approximately 20,000 grain bins which it now maintains for stand-by storage, principally in the corn-belt.

The Corporation could not acquire by lease or otherwise emergency facilities necessary to preserve agricultural commodities.

The Corporation could not acquire an interest in real property for the purpose of securing or discharging debts owing to it or protecting its interests in foreclosure proceedings.

The Corporation could not utilize excess storage space owned and made available by other Government agencies despite that economy in Government operations would demand that such space be utilized.

Your particular attention is called to the last paragraph of section 5 of the bill as reported, which reads as follows:

"In the Corporation's purchasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce."

This provision was originally proposed to the Congress by spokesmen for certain grain-trade interests in their appearance before the Senate Committee on Agriculture and Forestry. The provision was rejected by that committee. Among the probable serious adverse effects are the following:

The CCC could not purchase commodities directly from producers in carrying out its price support or other programs.

The CCC could not sell commodities directly to users or to foreign governments.

The CCC could not utilize its own grain bins or other storage facilities even on an emergency basis.

The CCC could not avail itself of the services of the county agricultural conservation associations or committees in the acquisi-

tion, care, and disposition of commodities acquired by the Corporation.

Doubt would exist as to the utilization of newly formed cooperatives where private trade facilities already exist.

Section 9 of H. R. 6263 provides that the Board of Directors of the Commodity Credit Corporation shall consist of five members, one of whom shall be the Secretary of Agriculture or his nominee, and the remaining four shall be appointed by the President by and with the advice and consent of the Senate. Not more than one-half of the members of the Board could be employees of the Corporation or any Department or agency of the Government. The Secretary of Agriculture is divested of the authority of general supervision of the Corporation.

The provision in the bill which would prevent a majority of the Board from holding any other office in the Corporation or the Department of Agriculture or elsewhere in the Federal Government is an undesirable one. Service on the Board, where no other duties are involved, would only take a relatively small part of any Board member's time. Therefore, the provision would appear to contemplate that a majority of the Board would serve on a part-time basis, and could devote the balance of their time to their private interests. As a practical matter, it is difficult to visualize the effective operation of a Board of Directors so constituted. If the directors did not divest themselves of possible conflicting private interests and associations, they as individuals and the Board would be subject to criticism. Moreover, it would be hard to find persons with the desirable experience who would be willing to divest themselves of such private interests and associations. While generally a weekly meeting of the Board suffices, it is frequently necessary to call special meetings on a few hours' notice in order to dispose of emergent business. With outside Board members, such emergency meetings on such short notice would not be possible unless such members permanently resided in or near Washington, D. C.

Although section 2 of the bill provides that Commodity Credit Corporation shall be within the Department of Agriculture, this would be true only in a technical sense, since the Corporation would be managed by a Board of Directors which would not be responsible to the Secretary of Agriculture. The management of the Corporation by such a Board of Directors would permit the Board to adopt policies and carry out programs to which the Secretary was opposed. The Secretary of Agriculture could not be charged with overall responsibility for the formulation and administration of the agricultural programs authorized by Congress. Congress and the President would have to look to both the Board of Directors of the Corporation and the Secretary of Agriculture. The Commodity Credit Corporation was transferred to the Department of Agriculture in 1939 to assure, through the general supervision of the Secretary of Agriculture, the effective integration and coordination of its activities with those of the Department. Experience gained since the transfer has demonstrated the continuing need for such integration and coordination.

Section 10 of the bill provides that responsibility for day-to-day conduct of business of the Commodity Credit Corporation shall be vested in a staff of executive officers who shall be responsible to the Board and shall devote their full time to the affairs of the Corporation.

The requirement that the executive officers of Commodity Credit Corporation devote full time to its affairs would not only be disadvantageous as far as the Corporation is concerned, but also would be a disadvantage to the Department as a whole.

The executive officers of the Corporation now consist of a president, three vice presi-

dents, a controller, a treasurer, and a secretary. The executive officers of the Corporation are also officials of the Production and Marketing Administration—for example, the President of Commodity Credit Corporation is Administrator of the Production and Marketing Administration and the vice presidents of the Corporation are Assistant Administrators of the Production and Marketing Administration. This has made possible the most effective, efficient, and economical utilization of the personnel and facilities of the Department of Agriculture.

Programs of Commodity Credit Corporation are so closely related to other programs such as those involving section 32 funds that it is essential that they be administered by the same officials. Also, price support ties in so closely with production goals that it is highly desirable for the officials who are responsible for the administration of the one to participate in the establishment of the other. The programs of the Corporation at the State and county levels are carried out to a large extent through committees of farmers that are also responsible for other Department activities. These committees should not be required to look to a large number of Department officials for their instructions and guidance. The recommendations of farmers at the House long-range agriculture legislation hearings have indicated a desire to deal with fewer Government officials.

In view of the vital role that Commodity Credit Corporation plays in the agricultural economy of the Nation, it is sincerely hoped that amendments to H. R. 6263 will be adopted which will remove the objections to the bill referred to above.

Sincerely yours,

CHARLES F. BRANNAN,
Secretary.

EXCERPT FROM CONGRESSIONAL RECORD OF JUNE 18, 1948, PAGES 9020-9021

Mr. HOPE. Mr. Speaker, I sincerely regret that this bill is being brought up under suspension of rules which does not permit amendment. This is a very important measure. The Commodity Credit Corporation furnishes the machinery through which the price-support programs on agricultural commodities are carried out. Without the Commodity Credit Corporation, it would be impossible for the Secretary of Agriculture to carry out the mandate of Congress that prices on certain agricultural commodities be supported.

There are two very serious defects in the bill as it now stands. One of them is that the bill prohibits the Corporation from acquiring or leasing any plant or facility for warehousing, transporting, processing, or handling of agricultural commodities, or from acquiring or leasing real property or any interest therein except the rental of office space. The bill also contains a provision reading as follows:

"In the Corporation's leasing and selling operations with respect to agricultural commodities (except sales to other Government agencies), and in the warehousing, transporting, processing, or handling of agricultural commodities, the Corporation shall utilize the usual and customary channels, facilities, and arrangements of trade and commerce."

These provisions which severely restrict the operations of the Commodity Credit Corporation would, in my opinion, make it very difficult for the agency to carry out the duties imposed on it by law. However, I shall not detain the House with a detailed discussion of these points because my time is limited and this particular matter will be discussed by the able gentleman from Minnesota [Mr. H. CARL ANDERSEN] a little later in this debate.

The provisions of this bill to which I particularly wish to call attention and to discuss

in some detail are those which provide for setting up the Board. Section 9 of the bill provides that the Board of Directors shall consist of five members, one of whom shall be the Secretary of Agriculture or his nominee, and the remaining four to be appointed by the President by and with the advice and consent of the Senate. Not more than one-half of the members of the Board could be employees of the Corporation or any department or agency of the Government. The Secretary of Agriculture is divested of the authority which he has previously had, of general supervision of the Corporation.

This means that three members of the Board of Directors must be appointed from outside the Department of Agriculture and the Federal Government, and that the control of the operations of the Corporation would be in the hands of the appointed members. What would occur under those circumstances is that, while the Secretary of Agriculture would have the responsibility for carrying out the provisions of law relating to support prices, under the terms of this bill he would lack the authority to do so effectively. It would simply be another case of what we already have too much of in the Federal Government—that is divided authority. Under the arrangement provided in this bill the Board could, if it desired, adopt policies and carry out programs to which the Secretary was opposed. Congress and the President would have to look to both the Board of Directors of the Corporation and the Secretary of Agriculture.

Mr. H. CARL ANDERSEN. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Minnesota.

Mr. H. CARL ANDERSEN. If the Congress does not give the Secretary of Agriculture full power over this Board, how can we hold the Secretary of Agriculture to account for the operations of the Commodity Credit Corporation?

Mr. HOPE. There is no way that we can do so.

The principal purpose in putting the Commodity Credit Corporation in the Department of Agriculture, where it has been since 1939, was to get away from the division of authority and to assure that the activities of the Department and those of the Commodity Credit Corporation which are so closely related, would be coordinated and integrated.

At present the officers of the Commodity Credit Corporation are officials of the Department of Agriculture who are also in charge of departmental programs relating to the production and marketing of agricultural commodities. The programs of the Commodity Credit Corporation are necessarily closely related to the others of the Department of Agriculture. They are tied in with programs which involve section 32 funds. Price supports are tied in closely with production goals. The programs of the Corporation at the State and county levels are carried on largely through committees of farmers who are also responsible for other departmental activities. If the Corporation were under the control of a separate Board which had no knowledge of these activities and no part in them, there would without question be a tremendous amount of overlapping and confusion, and there would always be the possibility of conflicting programs.

Another factor, which it seems to me, should be taken into consideration is that there is no way by which members of the Board appointed from outside the Department of Agriculture could devote full time to the affairs of the Corporation. I mean by that that there is no necessity for full-time directors to pass on the matters which would ordinarily come before the Board.

It would be expected, I presume, that the members of the Board would be men who were acquainted with and experienced in the buying and selling of agricultural products.

There is nothing in the bill which requires that they divest themselves of outside interests in those activities before becoming members of the Board. I believe that most men who are qualified for a position on the Board would not feel that they could afford to divest themselves of conflicting private interests. If they did not do so, they and the Board would certainly be subject to criticism. Thus, in practical operation, it would probably turn out that members of the Board will be those with conflicting private interests or persons without adequate experience to conduct such important business activities.

The provisions of this bill to which I have alluded are matters of deep concern to farmers everywhere. Some of our leading farm organizations have gone on record as being greatly disturbed by the provisions now contained in this bill. I have here in my hand a letter from Mr. Albert L. Goss, master of the National Grange, reading as follows:

JUNE 15, 1948.

Hon. CLIFFORD HOPE,

Chairman, House Committee on Agriculture, House of Representatives, Washington, D. C.

DEAR MR. HOPE: We sincerely hope the Commodity Credit Corporation bill will be amended to eliminate the divided responsibility under which the Secretary is charged with the duty for supporting commodity prices, but with means for carrying out this duty under the control of a Board not responsible to him. We believe that the bill should also be amended to eliminate those sections which would channel all operations through the grain trade who might easily wreck the Corporation's essential stabilization operations or make them prohibitively expensive.

Sincerely yours,

A. S. Goss,

Master, the National Grange.

I also have the following telegram from Mr. John J. Riggle, assistant secretary of the National Council of Farmer Cooperatives:

"Hon. CLIFFORD HOPE,

"Chairman, Committee on Agriculture, House of Representatives:

"Urge that H. R. 6263, Commodity Credit Corporation bill, be amended to eliminate divided authority between Secretary of Agriculture to support farm prices and handle surplus and the independent Board to direct affairs of Corporation, and to provide for Corporation to own real and personal property necessary to handle surpluses of farm products which normal channels of trade do not handle at or above support levels.

"JOHN J. RIGGLE,
"Assistant Secretary, National Council of Farmer Cooperatives."

The American Farm Bureau Federation has stated its position in the following wire, signed by Roger W. Fleming, director of its Washington office:

"Hon. CLIFFORD HOPE,

"House Office Building,
"Washington, D. C.:

"Urge support amendment to H. R. 6263, Federal charter CCC, eliminating restrictive grain-trade provisions, and substituting language requiring CCC, in buying, selling, and other operations, to use normal trade channels insofar as practicable. Because of congressional mandates on loans, price support and other operations control of Corporation should be left with Secretary of Agriculture.

"ROGER W. FLEMING,
"Director, Washington Office, American Farm Bureau Federation."

If this bill had been brought up under such circumstances that amendments were permitted, I would offer the following amendments, which, if adopted, would cure the serious defects to which I have referred:

Page 2, line 8, strike out "its Board of Directors" and insert in lieu thereof "the Sec-

retary of Agriculture (hereinafter referred to as "Secretary")."

Page 8, line 12, strike out section 9 in its entirety and substitute in lieu thereof the following:

"Sec. 9. Directors: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general direction and control of the Secretary, who shall be a director and serve as chairman of the Board. The Board shall consist of four members (in addition to the Secretary), who shall be appointed by the President, by and with the advice and consent of the Senate. Each appointed member of the Board shall receive compensation at the rate of \$10,000 per annum and shall hold office for a term of 4 years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2) the terms of office of members first taking office after the date of enactment of this act shall expire, as designated by the President at the time of appointment, one at the end of 1 year, and one at the end of 2 years, one at the end of 3 years, and one at the end of 4 years, after the date of enactment of this act. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at the rate of \$10,000 per annum, except that any such member who holds another office or position under the Department of Agriculture, the compensation for which exceeds such rate, may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section.

"(b) Vacancies in the Board, whether arising from failure of the President to nominate or the Senate to confirm the original or subsequent members of the Board, so long as there shall be four members in office, shall not impair the powers of the Board to execute the functions of the Corporation, and a majority of the members in office shall constitute a quorum for the transaction of the business of the Board."

Page 9, line 13, strike out section 10 in its entirety and substitute the following:

"Sec. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded, and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil-service laws and the Classification Act of 1923, as amended (5 U. S. C., 1940 ed., 661)."

Since it is not possible under this procedure to offer amendments, I have inserted them in the RECORD, with the hope that when this bill goes to conference, the conferees may agree upon provisions which are substantially the same as those contained in the amendments above quoted.

As indicated in the beginning of my remarks, I regard this matter as one of the greatest importance to the agricultural producers of this country.

Mr. HOLMES. Mr. Speaker, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HOLMES. Because of the unusual parliamentary situation, has the gentleman from Kansas any information as to how these matters may be handled in conference if this bill is passed by this body?

Mr. HOPE. We have a Senate bill, and I understand that the Senate bill will be sub-

stituted for this bill, and that everything after the enacting clause will be stricken out of the Senate bill, and the subject matter of the House bill inserted. That would get the bill into conference.

The SPEAKER. The time of the gentleman from Kansas has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota [Mr. H. CARL ANDERSEN].

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Speaker, I certainly agree 100 percent with what the gentleman from Kansas [Mr. HOPE] had to say about the divided authority which is created by the provisions of this particular bill. Whether we are Democrats or Republicans, regardless of who is Secretary of Agriculture, if we in Congress want to hold that official responsibility for Commodity Credit's operations, we must give to the Secretary of Agriculture the power to make decisions. I sincerely trust, as Mr. HOPE has stated, that this subject will be considered in confidence.

There is another defect in this particular bill. If you will turn to section 5 of H. R. 6263, you will see a mandatory provision there in which it is required that practically all operations of the Commodity Credit Corporation in regard to the warehousing, transporting, processing, or handling of agricultural commodities shall utilize—note the word "shall"—the customary channels, facilities, and arrangements of trade and commerce.

What does that amendment mean? May I say first that the gentleman from Michigan has very kindly agreed that an amendment will be placed in this particular paragraph after the word "shall," which will not make this particular section mandatory. But under this particular section if left in the bill as it is, the Commodity Credit Corporation along with other things could not purchase commodities directly from producers. It could not sell commodities directly to farmers. It could not extend the price support to farmers through purchases in areas where dealers are not willing to participate in the program. Frankly it would render ineffective entirely the great sealing program that we have had in effect throughout the Middle West in corn especially and other grains.

I thank the gentleman from Michigan and the committee for their willingness to accept this amendment, which will not make this section workable.

I am also disturbed about page 24, line 22. The language as written there practically says to the Commodity Credit Corporation, "You cannot utilize the 22,000 or more small steel grain bins which you have had as extra storage space." We can plainly see that in case of a glut on the railroads or in the terminal markets the present language would mean that it would be practically impossible to carry out a grain-sealing program. Here, again, I am glad that the gentleman has agreed to an amendment, which does not go as far as I would like to see it, but nevertheless it does help a great deal. The gentleman from Michigan [Mr. WOLCOTT] has been very helpful in getting the matter adjusted.

Will the gentleman state what, in his opinion, his particular amendment to that section on page 4, line 22, would do? Would it assure the right of the Commodity Credit Corporation to own personal property? There is no such definite assurance in the bill. I would like a definite assurance that the Corporation can own these 20,000, or more, steel tanks, if needed, to carry out its functions as the vehicle for price-support programs.

Mr. WOLCOTT. I think I am in a position to assure the gentleman—surely, I would state it is my understanding—that there is no

limitation upon the amount of personal property which the Corporation may own. There is a limitation which applies only to leases and real estate, and, as the gentleman says, they will be authorized under this amendment to continue existing leases.

RESULTS OF CCC OPERATIONS

1. Senator WILLIAMS has accused the Department of misrepresenting facts when it stated last fall that CCC had operated at a profit.

A. He cited letters from the Budget Bureau setting forth the fact that the Corporation had lost over \$2,100,000,000 from 1933 to December 31, 1948.

B. He also cited a Budget Bureau letter stating the \$2,100,000,000 didn't include \$1,700,000,000 of section 32 expenditures.

(1) Senator WILLIAMS then proceeded to add these two figures and claimed the CCC has shown a loss of almost \$3,900,000,000.

C. He says the only way CCC can claim a profit is to count as income appropriations it has received or notes that have been canceled for it.

2. Senator WILLIAMS' charge and the basis on which he attempts to substantiate it are completely false.

A. He has twisted the facts to make it appear that the CCC has been a costly burden on the taxpayer, while, in fact, the Corporation has operated most economically considering the jobs it has had to do.

B. The Bureau of the Budget apparently either was misled by the manner in which the Senator presented his inquiry, did not know how to properly state the facts, or made no effort to do so.

3. The facts were that as of June 30, 1948, the Corporation did have a profit from all of its program operations other than wartime consumer subsidies, in excess of \$180,000,000, as indicated in the Secretary's speeches.

A. However, since Senator WILLIAMS has inserted in the RECORD detailed figures as of December 31, 1948, which he obtained from the Bureau of the Budget, I explain the Corporation's position as of that date.

4. In the first place, the \$2,146,930,367 cited by Senator WILLIAMS as lost through December 31, 1948, included all of the wartime consumer subsidies which were paid through the CCC.

A. These subsidies totaled \$2,102,979,821 as of December 31, 1948.

(1) These subsidies were for the benefit of consumers—to hold the line on OPA ceiling prices.

(2) They happened to be paid through the CCC because it was an existing agency with sufficiently broad authorities to handle the job in the wartime emergency.

(3) They were not a part of the operations the CCC was set up to carry out (the Corporation was set up primarily to help the farmer), but the Corporation undertook the job as a part of the general cooperative effort to win the war.

(4) These subsidies, by the way, are estimated to have actually saved consumers much more than they cost, because they held down the cost of food.

(a) Food items were part of the weapons of war, and very important ones.

B. The net result of program operations other than subsidies, i. e., the difference between what the CCC put into loans on and inventories of individual commodities, and what it got out of them, was a net gain of \$82,000,000 from 1933 to December 31, 1948.

(1) To get a clear picture there should be added back to this \$82,000,000, \$56,000,000 of losses taken by the Corporation on disposal of price-support commodities at the caloric value of wheat as specifically instructed by Congress and for which Congress provided the Corporation would be reimbursed by cancellation of notes.

(a) This \$56,000,000 was really a part of the United States Government's cost of foreign relief feeding.

(2) This would make the program gain total \$138,000,000.

(3) The Corporation had net overhead and interest costs of \$79,000,000 more than interest and other such general income from 1933 to December 31, 1948.

(4) Deducting this amount from the program gain of \$138,000,000 gives a final realized gain on all CCC operations other than subsidies of \$59,000,000.

(a) The gain would have been \$22,000,000 greater if the interest paid by the CCC on money used to pay subsidies had not been included.

4. In the second place, section 32 funds cannot by any stretch of the imagination be considered a part of the CCC operations.

A. These funds are appropriated funds provided the Department by the Congress for specific purposes.

B. They are not used by the CCC any more than is the appropriation to the Army or to ECA.

5. In the third place, it is absurd to accuse the Corporation of counting as income the amount of appropriations or cancellations of notes authorized by Congress for the purpose of restoring capital impairments.

A. It is obvious from what I have told you that the impairment the Congress has had to make good were largely those caused by the use of the Corporation as the medium through which to pay consumer subsidies.

B. The Corporation presents the full facts concerning its operating results since 1933 in its monthly statements.

6. It should be apparent from the facts that I have cited that the charges made by Senator WILLIAMS have no basis in fact.

THE \$365,000,000 OF ACCOUNTS RECEIVABLE

1. Senator WILLIAMS persists in making comments about a statement in the GAO audit report of the CCC as of June 30, 1945, in a manner designed to imply that the Corporation has lost \$366,000,000 of the taxpayer's money and can't find it.

A. This, of course, is not true.

2. What the GAO report said in simple language was that the Corporation could not—as of June 30, 1945—provide the auditors with a detailed listing showing the name and address of each person, firm, or agency of Government which owed the CCC part of the \$366,000,000 shown by its books as of June 30, 1945, to be due to it on account of sales, and how much each owed.

A. That was true—the corporation could not, as of that date—June 30, 1945—provide the detailed listing the auditors wanted, and the reason was the backlog of work caused by the tremendous volume of wartime business that the Corporation handled with inadequate help and lack of enough accounting machines.

(1) The whole matter was reviewed thoroughly by the House committee under Judge Tarver which conducted the war-food investigation in 1945.

(2) As soon as the Corporation could get adequate and qualified help, and enough machines, after the war, it cleaned up its wartime backlogs and checked this item out along with all others.

(a) The job was done by September 1947 and GAO approved the Corporation's plans.

3. The Secretary of Agriculture has set forth the facts concerning this item in two letters which have been printed in the RECORD.

A. The first was a letter to Senator LUCAS on March 29, 1949 (copy attached), inserted in the RECORD on March 29, 1949, by Senator LUCAS.

B. The second was a letter to Chairman SPENCE of the House Banking and Currency

Committee on April 5, 1949 (copy attached), inserted in the RECORD by Senator THOMAS on April 29, 1949.

4. The same GAO audit report on which Senator WILLIAMS bases his comments about the \$366,000,000 states that the Corporation now has a sound accounting system.

UNITED STATES DEPARTMENT OF AGRICULTURE, Washington, March 29, 1949.

The following is the text of a letter, with attachments, which Secretary of Agriculture Charles F. Brannan has sent to Senator LUCAS in reference to recent statements about wartime records of the Commodity Credit Corporation:

"Hon. SCOTT W. LUCAS,

"United States Senate.

"DEAR SENATOR LUCAS: I wish to give you a brief statement of facts on the allegations made by Senator WILLIAMS on March 25 concerning the Commodity Credit Corporation. The Senator's comments refer to a report on the audit of the Commodity Credit Corporation as of June 30, 1945, which I understand the Comptroller General intends to make available to the Congress in the very near future.

"Unfortunately, the statements made by the Senator are fragmentary in character and do not reflect the more complete discussion of these matters which, I am informed, will be contained in the audit report. Some of the most pertinent facts, from the point of view of the public interest, are not recognized by the Senator.

"1. The \$350,000,000 was accounted for. It was a net book figure representing the results of some 2,000,000 transactions. The program was liquidated in accordance with plans known to and having the concurrence of GAO auditors, and resulted in a profit to the Corporation. It was not possible, however, because of wartime backlogs to furnish the auditors a detailed listing of amounts due the Corporation by name and address of debtors as of June 30, 1945. This apparently is what the Senator refers to.

"2. There has been no charge or intimation of fraud or dishonesty on the part of any employee, or of loss to the Government.

"3. The period covered by the report ended nearly four years ago, while the country was still at war.

"The facts regarding these wartime problems are, of course, not new to the Congress. They were thoroughly covered in investigations conducted by Judge Tarver pursuant to House Resolution 50 in the spring of 1945, and they were dealt with again before the Senate Committee on Agriculture and Forestry in connection with hearings on S. 1322 a year ago.

"Senator WILLIAMS is now, therefore, bringing up matters which have already been thoroughly investigated and on which full corrective action has already been taken.

"I am enclosing a brief discussion of the facts about each of the points, as definitely as we can identify them, which have been raised by Senator WILLIAMS. We shall be glad to furnish any further information which may be desirable.

"Sincerely yours,

"CHARLES F. BRANNAN,

"Secretary."

The following are attachments to Secretary Brannan's letter of March 29, 1949, to Senator LUCAS:

"LACK OF SUPPORT FOR GCP RECEIVABLES

"Senator WILLIAMS' statement (CONGRESSIONAL RECORD, March 25, 1949): 'It has been reported to me, from sources which I consider very reliable, that over \$350,000,000 of receivables in the general-commodities

purchase program could not be supported or verified because of faulty accounting policies and poorly devised procedures' (p. 3254).

"Also: 'I think it is well to know whether we can get an accounting of the \$350,000,000 which it is reported the books are out of balance' (p. 3255).

"Also: 'Four years have elapsed, and if the Corporation cannot make a determination today closer than \$350,000,000, it is time the country knew about it. I desire to know as one, why that cannot be done' (p. 3255).

"Comment: These statements pertain to operations under the general-commodities purchase program conducted by the Corporation for the War Food Administration, which was subjected to a complete investigation under House Resolution 50 in December 1944. The report submitted by Mr. Tarver from the Committee on Appropriations on June 27, 1945 (Rept. No. 816, Union Calendar No. 238, 79th Cong., 1st sess.), contained a full disclosure of the condition of the records and financial statements of these operations.

"These receivables largely represented unbilled deliveries under the lend-lease program, and were payable from Federal funds appropriated during the emergency period to the Lend-Lease Administration and its successor agencies. Shortly after July 1945, the Corporation undertook the task of liquidating the program on a reasonable and practicable basis. It was determined that due to the volume of transactions and the administrative costs involved, and since there would be no effect on the over-all interests of the United States Government, intragovernmental receivables would not be reviewed in detail by the Corporation. Other transactions were reviewed in detail. This determination was made following an interchange of correspondence with representatives of the General Accounting Office and discussion with various investigators from the House Committee on Appropriations during hearings on administrative expenses for lend-lease liquidation. The GCP program was liquidated with a net gain to the Corporation. A report as of June 30, 1947, on these actions was submitted to the General Accounting Office on September 24, 1947, and again on December 26, 1947 (copy attached), and, in accordance with the request of the GAO, has been supplemented from time to time to show the progress in liquidating claims.

"The attachment referred to above follows:

"DECEMBER 26, 1947.

"Mr. CLARK L. SIMPSON,

"Assistant Director, Corporation Audits Division,"

"General Accounting Office,

"Washington, D. C."

"DEAR MR. SIMPSON: In discussions as early as April 1946 with your office you concurred in our general approach to the problem of liquidating account balances reflecting GCP payables and receivables, and in your letter of April 16, 1947, you concurred in our proposed plan to make no further investigation of transactions representing deliveries (1) under the lend-lease program prior to September 2, 1945 (VJ-day) and (2) under procurements made for other agencies of the United States Government, provided that it could be demonstrated that there will be no over-all loss to the United States Government.

"A comprehensive report was forwarded to you September 23, 1947, with respect to the liquidation of the GCP accounts payable and accounts receivable and the adjustments in the accounts incident thereto. However, in view of our previous discussions and understandings, it is believed appropriate to also briefly summarize the project and its results.

"As you know, the total activity during

the period under discussion amounted to approximately \$8,000,000,000 and involved individual transactions running into the millions. The unit for inventory and accounting purposes was usually a carload of the commodity involved so that when such unit is multiplied by the purchase, movements, storage, cost determination, sale, billing, and collection transactions which must be recorded in each instance, the magnitude of the total undertaking almost defies comprehension in terms of usual commercial undertakings.

"During the war period and for some time thereafter it was not possible to maintain the accounting operations, including the accounts payable and accounts receivable, of the GCP program on a current basis. With respect to payables, deliveries by vendors and payments therefor based upon documentation called for by the contract were usually recorded currently as each event occurred but were not related to each other for the purpose of ascertaining and recording the normal adjustment for differences between estimated charges based upon shipping information and actual payments based upon certified documentary evidence of delivery.

"With respect to receivables much the same situation existed, i. e., liftings based upon shipping information and bills and collections based upon certified documentation were each recorded as currently as possible as the events transpired but were not related to each other for the purpose of ascertaining and recording normal adjustments for differences between estimated lifting values and actual bills and collections. Since there were several million transactions involved in these accounts, it can readily be seen that by not making such adjustments currently the differences accumulated in the accounts and eventually grew into large dollar amounts, although perhaps not disproportionate to the billions of dollars of activity involved.

"In order to determine the amount of these differences to be adjusted and also in order to determine as at June 30, 1947 the outstanding payables and receivables with respect to the GCP Program, the procedure as outlined in our report of September 23, 1947, and as briefly summarized hereinafter was followed.

"With regard to accounts payable, an abstract showing the detail of each delivery by the vendor and each payment by the Corporation was prepared for each contract. If this indicated deliveries which had not been paid for, the data were reviewed and audited with the documents and records reflecting the shipment and storage of commodities. Following this examination the contracts which still appeared to reflect open items were forwarded to the field fiscal office which had made the payments for further reconciliation and verification. After this work was performed, current liquidations (payments) were verified with the remaining contracts. As of June 30, 1947, there remained only 42 contracts with balances totaling \$11,676,960.68 out of the billions of dollars of contracts involved on which it was necessary to undertake a final verification for the purpose of determining the validity of the amounts carried as payables. The balance of the accounts payable reflected in the general books at June 30, 1947, prior to adjustment was \$72,843,595.19. Thus the net adjustment required to properly state the accounts was made in the amount of \$61,166,634.51 by reducing accounts payable with a corresponding reduction in cumulative costs of sales.

"Should there be claims subsequently submitted by vendors for deliveries which were not included in the amounts established as payables, a complete examination will be made to assure the validity of such claims prior to payment. Also, in collaboration

with the Office of Audit, Production and Marketing Administration, and your office a further verification is being completed with respect to the \$11,676,960.68 remaining on the books as of June 30, 1947.

"With respect to the accounts receivable liquidation it was necessary to first balance the detail representing lot-by-lot shipments, invoices, and collections to the general ledger control accounts for the period March 1, 1944, through June 30, 1947. After the detail was balanced the transactions were segregated into groups so that detail verification could be made for the purpose of establishing amounts due from commercial customers, foreign governments, and lend-lease deliveries after VJ-day. In accordance with our plan concurred in by your office, we did not examine in detail the transactions representing lend-lease deliveries prior to VJ-day or deliveries to other government agencies since, as previously discussed, any overcharges or undercharges in lend-lease billings and collections prior to VJ-day will not affect lend-lease settlements with foreign governments and since any overcharges or undercharges to other government agencies will not result in any loss or gain to the Government as a whole. However, test checks were made in conformity with generally accepted audit principles, and the results of such test checks revealed that the invoicing and collection operations of the Corporation were generally satisfactory. In addition to the analysis and verification of outstanding accounts receivable which were developed from the detailed entries to the accounts, all shipments (involving over \$2,000,000,000) to Cash-Paying Foreign Governments and UNRRA were reconciled with the quantities invoiced and paid, in order to independently establish that any amounts owing and due to Commodity Credit Corporation from these claimants were billed and collected. The status of each contract balance was verified with the accounts prior to the closing of the books as of June 30, 1947, excepting for minor differences which were examined and adjusted in the books subsequent thereto. The results of this work were made available to your office for confirmation with the debtor or creditor in conjunction with your audit.

"Adjustments were made as of June 30, 1947 of \$64,627,243.64 and \$31,842,483.09, respectively, to the general books to properly state accounts receivable—unbilled and accounts receivable—billed. Again, although the dollar amounts involved are large, they must be related to the billions of dollars of activity to get a perspective.

"Abstracts of the accounts, work papers, supporting documents and files were accumulated during the progress of liquidation of the payables and receivables of the GCP Program so as to provide your office with such data as required to verify the adequacy and accuracy of the work involved in this project. Also, the Office of Audit, PMA, is making an examination of the audit of UNRRA and Cash-Paying Foreign Government accounts referred to for the purpose of determining the accuracy of the work performed.

"Consequently, we believe the action which was taken by the Corporation was in conformity with our mutual objective of seeking to avoid the incurring of unjustifiable administrative expense by the Corporation and the Government in the correction of war-time accounting deficiencies, but to exert all reasonable efforts in the collection of amounts from sources outside the United States Government.

"Very truly yours,

"K. A. BRASFIELD,
"Treasurer."

"VERIFICATION OF INVENTORIES"

"Senator WILLIAMS' statement (CONGRESSIONAL RECORD, March 25, 1949): 'The book

value of the inventories held by the Corporation as of June 30, 1945, was in excess of \$1,000,000,000, but it has been reported to me that it was not possible to verify that amount physically' (pp. 3254-3255).

"Also: 'Mr. President, the book value of the inventories held by the Corporation as of June 30, 1945, was in excess of \$1,000,000,000, but it has been reported to me that it was not possible to verify this amount physically.

"My experience in business has been that when the Government agent comes around to audit my account, I must verify every item. I see no reason why we should extend special exemption to the Government Corporation. If they cannot verify the inventory, let us find where the money went. If they can verify the inventory, the matter can be cleared up rapidly. If the charge is unfounded, I shall be the first to place that fact in the RECORD. I feel we should know the truth. I received this information from persons whom I believe to be reliable, and I believe the report to be correct. If I did not believe it to be correct, I would not be standing on the floor of the Senate at this time asking for the facts' (p. 3253).

"Comment: The complexities of making a physical verification of approximately \$1,000,000,000 of commodity inventories as at any specific date during the war period is readily understandable in view of the nature of the Corporation's operations. A large volume of commodities held in inventory was evidenced by warehouse receipts issued by bonded warehouses. With respect to fungible commodities such as grain, oilseeds, etc., stored in public warehouses it would be impossible to take physical inventories as at any specific date of the portion against which receipts were held by the Corporation. In the case of processed and packaged commodities, purchases by the Corporation from the commercial vendors were delivered f. o. b. railway cars at shipping point or f. a. s. vessel. Therefore, huge quantities were always in transit to port, in pier storage, located on wharves for lifting, or in process of being lifted or aboard vessels, as of any specific date.

"On March 12, 1945, the President of the Corporation, pursuant to a resolution approved by the Board of Directors on March 10, 1945, requested the General Accounting Office to take a physical inventory of processed commodities. This request was prompted by the realization of the Corporation that serious deficiencies existed in inventory-control procedures, which was indicated by the findings included in the report of the Committee on Appropriations on the investigation of the War Food Administration, made in June 1945 to the Congress. The effectiveness of this endeavor was materially impaired by the factors explained above.

"In the conduct of its day-to-day operations at the present time, the Corporation controls its inventory of all processed commodities on a lot-by-lot basis, and makes periodic verifications with respect to individual commodities, as conditions warrant. Generally such verifications are made when commodity movements permit or at the end of the fiscal year. In the case of fungible commodities and other nonprocessed commodities, evidence of ownership is periodically verified through confirmation with warehousemen.

"OVERSTATEMENT OF WHEAT LOANS"

"Senator WILLIAMS' statement (CONGRESSIONAL RECORD, March 25, 1949): 'I also understand that the wheat loans are overstated by about \$4,000,000, with the corresponding overstatement in accounts payable' (p. 3254).

"Comment: When loans are called, and the price of wheat on the open market is below the loan rate, farmers deliver large quantities of collateral in a relatively short period. In

many areas, local storage capacity is not sufficient to store grain, and it is shipped to subterminals or terminals almost as rapidly as it is delivered.

"Under conditions such as these, it is inevitable that bills of lading and warehouse receipts will be received from elevators more rapidly than reports of delivery at country points are received, audited, and recorded. Accordingly, a suspense account is necessarily used in which to record wheat received in connection with which the loan settlements have not been effected and recorded.

"A similar situation with respect to wheat loans may well occur this year, but currently effective procedures are designed to correlate to the maximum possible extent the liquidation of the loan with the delivery of the collateral.

"OMISSION FROM SALES OF BARLEY SHIPPED TO RUSSIA

"Senator WILLIAMS' statement (CONGRESSIONAL RECORD, March 25, 1949): 'Furthermore, an incident has been called to my attention where barley has been shipped to Russia in the amount of \$1,000,000, under the trading program, and the item has been omitted entirely from the sales' (p. 3255).

"Comment: In its June 30, 1945, trial balance on 1944 barley submitted to the Washington office, the Portland office reported a reduction in inventory by transfer to the GCP program of \$1,137,007.90. Examination by the Washington office of the GCP trial balance and related records as of the same date disclosed that only \$48,140.40 of this amount was recorded on GCP trial balance. Accordingly, the Washington office made a worksheet adjustment in preparing the overall financial statements as of June 30, 1945, adjusting the interoffice transfer account and setting up as unbilled receivables—lend-lease—the difference of \$1,088,867.50. The Portland office in July 1945 reversed the inventory transfer entry in the amount of \$1,088,867.50, and in September 1945, recorded the delivery as a sale. The transaction to which these entries relate was a transfer of barley to Russia under the lend-lease program.

"ACCURACY OF AMOUNT OF COTTON LOANS

"Senator WILLIAMS' statement (CONGRESSIONAL RECORD, March 25, 1949): 'In the case of certain other programs it was also impossible to support the recorded balances of receivables, particularly in the case of claims in the case of cotton loans held by the Corporation. It had made no effort to prove the accuracy of the total amount of loans, and therefore I understand that the total amount of loans reported by the Federal Reserve banks, as custodians, could not be reconciled with the records of the Corporation. At least one duplication of over \$2,000,000 has been reported to me' (p. 3254).

"Comment: The books of the New Orleans office of the Corporation did reflect \$2,329,485 as loans held by lending agencies as of June 30, 1945, in error, since these loans had previously been purchased by the Corporation. This error, of course, was subsequently corrected. The comment regarding the reconciliation of individual loan account balances refers to the inability of the New Orleans office to perform as of June 30, 1945, a reconciliation between punch-card cotton loan records in that office, the records maintained by the Federal Reserve banks acting as custodians of cotton-loan documents, and the general ledger control balances of the New Orleans office. This situation existed as of the date stated over 3½ years ago, but has been corrected since.

"The individual IBM bale-card system was established primarily to facilitate the physical handling of the huge volume of cotton involved in the CCC loan and purchase programs, and worked well for that purpose. The CCC made loans on approximately 14,000,000 bales of 1940-44 crops of cotton,

bought 2,600,000 bales of 1944 crop cotton, and acquired or pooled for producers approximately 9,500,000 bales of loan cotton after August 1, 1939. The problems involved in the record keeping for, as well as the physical handling of, this volume of cotton were tremendous.

"During the war the New Orleans office was handicapped by a limited number of trained personnel and inadequate accounting-machine equipment. Consequently, some auditing and accounting functions, including the comparison and reconciliation of loan and accounting records of the New Orleans office and the Federal Reserve banks were not currently performed.

"After 1945, concerted effort was expended toward eliminating all backlogs and balancing all accounts with related subsidiaries. Also, a detailed survey of the accounting system and procedures used was undertaken and a new over-all system was devised and placed into effect. This system worked satisfactorily under the tremendous work load of a 5,000,000-bale loan this year."

The bill (S. 900) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "An act to amend the Commodity Credit Corporation Charter Act, and for other purposes."

PROMOTION OF HEALTH OF SCHOOL CHILDREN

Mr. THOMAS of Utah. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 139, Senate bill 1411.

The VICE PRESIDENT. The clerk will state the bill by title.

The LEGISLATIVE CLERK. A bill (S. 1411) to provide for the general welfare by enabling the several States to make more adequate provision for the health of school children through the development of school health services for the prevention, diagnosis, and treatment of physical and mental defects and conditions.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Utah.

The motion was agreed to; and the Senate proceeded to consider the bill.

EXCLUSION FROM THE UNITED STATES OF SUBVERSIVE ALIENS

Mr. McCARRAN. Mr. President, out of order, I ask unanimous consent to introduce for appropriate reference a bill to amend the Immigration Act of October 16, 1918.

There being no objection, the bill (S. 1694) to amend the Immigration Act of October 16, 1918, introduced by Mr. McCARRAN, was received, read twice by its title, and referred to the Committee on the Judiciary.

Mr. McCARRAN. Mr. President, during the course of the last year and a half, a subcommittee of the Senate Committee on the Judiciary has been engaged in a comprehensive study of our entire immigration system. One facet of this study is an investigation of the entrance of subversives into this country. There is in the custody of the subcommittee evidence which establishes beyond a reasonable doubt that there is extensive subversive activity being carried on in this country under the active direction and leadership of agents of foreign countries. This evidence is extensive, conclusive,

and alarming. These agents supply the lifeblood for subversive activity in the United States.

Although our present immigration laws provide for the exclusion and deportation of certain types of dangerous and subversive aliens, through the years these provisions have been made subject to a number of exceptions and provisos which have opened a back door for the admission into the United States of agents of foreign powers who enjoy a practical immunity from our laws. The administration of the legal mandates has frequently been lax and indecisive. By default, additional avenues of entry have been provided for otherwise excludable aliens.

Mr. President, this situation has been vastly complicated by the growth of numerous international organizations and commissions with headquarters or offices in this country, and the resultant groups of aliens that have been permitted to enter the United States.

Our entire immigration system has been so weakened as to make it often impossible for our country to protect its security in this black era of fifth-column infiltration and cold warfare with the ruthless masters of the Kremlin.

We must make adequate provision to protect ourselves. We must bring our immigration system into line with the realities of Communist tactics.

The time has long since passed when we can afford to open our borders indiscriminately to give unstinting hospitality to any person whose purpose, whose ideologic goal, is to overthrow our institutions and replace them with the evil oppression of totalitarianism.

We can no longer entertain with lavish hospitality or with amused indifference the sworn enemies of the United States.

I have just now introduced a bill to revise our immigration laws in such a way as to place in the hands of the Government adequate powers to cope with the fifth-column tactics of international communism. The purpose of this bill is to plug the loopholes of the present law, so that any alien—and I emphasize the word "any"—who engages in espionage or other subversive activity must be excluded or deported.

Let me emphasize in the beginning that this legislation will not in any way curb the legitimate activities of anyone, whether he be an immigrant, a visitor, a diplomat, or a delegate to an international organization. The bill has only one purpose: to protect the people of the United States from any alien who abuses the traditional American hospitality by working for the overthrow of our Government. And, Mr. President, I mean any alien.

My bill is designed to sever the international lifeline which is feeding the Communist conspiracy in this country.

There is no obligation upon the United States—or, for that matter, upon any other nation—to harbor within its borders aliens who are working for its destruction. The duty to protect itself—the obligation to defend itself—against alien subversion is the fundamental re-

sponsibility of every government. We cannot continue to abdicate this duty.

Mr. President, I want to impress the Members of the Senate with the earnestness with which I propose this measure. My proposal is based on a careful consideration of evidence now in the possession of the subcommittee of the Committee on the Judiciary, of which I have the honor to be chairman. We have found glaring loopholes in our immigration system, complicated by the laxness with which the existing exclusion and deportation provisions have been enforced. The cold fact is that agents of international communism move freely across our borders to engage in espionage, sabotage, anti-American propaganda, and subversive activities, to plot with almost complete impunity the destruction of our free institutions.

The threat which we must eliminate—and which I am convinced this bill will eliminate—consists of five distinct problems.

First. The Communist International has in its employ a network of agents whose sole function is to organize and promote Communist activity, espionage, propaganda, and terrorism. These agents are sent into the United States and other countries as the policy of the Stalinist high command dictates. Although some of these persons are native born or have acquired citizenship through naturalization, a substantial number of them are aliens. Under my bill these people would have to be excluded from admission, or deported if found in the United States.

Second. Occasionally aliens who come to this country as immigrants do not leave behind them their loyalties to foreign governments and foreign ideologies. Some of them engage in subversive activity, organize or join Communist organizations, or engage in propaganda activities among their neighbors. Under my bill these people would have to be deported.

Third. Agents of communism have used the customary courtesy extended by the United States to representatives of foreign governments, including diplomats, consuls, and other representatives, as a screen behind which to engage in espionage and other activities designed to overthrow our Nation by force and violence. Under my bill, these people would have to be excluded from admission or deported if found in the United States.

Fourth. Since the establishment of international organizations in this country, Communist agents have used them as a facade behind which to operate and to carry on anti-American activity. The evidence in the files of the subcommittee shows conclusively that many representatives and staff members of international organizations are engaging in subversive activities, beyond the scope of their legal duties. Under my bill, these people would have to be deported.

Fifth. We have for many years extended the privilege to certain foreign governments to establish in this country missions, such as trading commissions and news agencies. Some of these, too, have been integrated into the interna-

tional Communist espionage-sabotage-subversion network. They have expended vast sums of money for propaganda and intelligence work and have frequently supported Communist enterprises by direct contributions. Under my bill, these people would have to be deported.

Mr. President, we are faced by the most tightly organized, the most extensive international conspiracy this world has ever seen—and may God grant, shall ever see.

That the Soviet Union actively engages in preparation for the communization of the United States and the rest of the world is no longer a question of doubt. The articles of the comintern—the basic creed of the Communist Party—the utterances of Soviet leaders, the activities of the Communist Party everywhere; in fact, the foreign policies of the USSR, are directed at destruction of the United States as the one powerful barrier to conquest of the great globe itself.

The Moscow imperialists have never tried to conceal their hopes for world revolution and world conquest. The very philosophy of Karl Marx speaks of an inevitable destruction of existing states and their replacement by a Communist society. The plan for world revolution has been openly expressed by the leaders of Soviet Russia. The fundamental line of the Soviets was laid down in the clearest terms by Lenin in his declaration that—

We are living not merely in a state but in a system of states, and the existence of the Soviet republics side by side with imperialist states for a long time is unthinkable. One or the other must triumph in the end. And before this end supervenes, a series of frightful collisions between the Soviet Republic and the bourgeois states will be inevitable.

The Communist international has itself made public declaration of the Soviet ambitions to subject the entire world to the Red system of oppression. The Sixth World Congress proclaimed openly that—

The ultimate aim of the Communist International is to replace world capitalist economy by a world system of communism.

The program adopted by the Sixth Congress of the Communist International in 1928, states clearly the revolutionary objectives of the Soviet Union within the borders of other nations:

The successful struggle of the Communist International for the dictatorship of the proletariat presupposes the existence in every country of a compact Communist Party, hardened in the struggle, disciplined, centralized, and closely linked up with the masses.

The party is the vanguard of the working class and consists of the best, most class conscious, most active, and most courageous members of that class. It incorporates the whole body of experience of the proletarian struggle. Basing itself upon the revolutionary theory of Marxism and representing the general and lasting interests of the whole of the working class, the party personifies the unity of proletarian principles, of proletarian will, and of proletarian revolutionary action. It is a revolutionary organization, bound by iron discipline and strict revolutionary rules of democratic centralism, which can be carried out, thanks to the class consciousness of the proletarian vanguard, to its loyalty to the revolution, its ability to maintain inseparable ties with the proletarian masses and to

its correct political leadership, which is constantly verified by the experiences of the masses themselves.

Mr. President, centralized control from Moscow of the international network of communism requires the establishment of a vast spiderweb of communication. It is of prime importance that the Kremlin shall be in a position at all times to communicate instructions to its partisans, to call them to task for blunders, to receive in turn intelligence reports, and to provide for the training and entry of agents provocateurs.

To this end the Soviet Union has created an international organization without equal and without rival in history. The falsification of passports and identities, the disguises behind which trained operatives of communism move, have been developed to an exacting science which has successfully penetrated the vigilances of all nations of the earth.

Every person sent from the Soviet Union or its satellites is or becomes an agent of Soviet espionage and sabotage. He is assigned a task to fulfill and his complete compliance is generally assured by threats against his person and his family and by the ubiquitous terror of the secret police. In testimony before the Un-American Activities Committee Victor Kravchenko affirmed that—

I must state in general that no person holding an important position in connection with the economic, political, or military organizations and arriving in the United States from the Soviet Union arrives without a special assignment as to the collection of secret information.

Lenin confessed that in its endeavors the Soviet Union would not be governed either by ethics or morality. In the drive to communize the world he wrote in *The Infantile Sickness of Leftism in Communism*:

It is necessary * * * to use any ruse, cunning, unlawful method, evasion, concealment of truth.

The violations of American integrity, sovereignty, and friendship have increased in vigor and scope. Since the termination of the late war the temporary wartime mask of allied friendship has been dropped by the Soviet Government, and its efforts to undermine our institutions have become a matter of common knowledge.

Soviet agents and contact men have found cover behind every iron curtain mission, private or public, in the United States. Special representatives of the Kremlin have found the friendly attitude of this country a haven within which they are able to move to their destinations and indulge in their nefarious tasks unhampered.

Since the end of the war the Soviet Union has found a new and infinitely superior channel through which it can introduce its agents into the United States. The constellation of international agencies established in this country provides a means of transit from the Soviet Union and its satellite countries unhampered by the usual, if limited, restrictions placed upon private persons and diplomatic officials.

The results of the war have placed the U. S. S. R. in a position to take complete

which are vital to the welfare of the Nation:

Further development of vocational education-----	\$9,458,980
Peptic ulcer research-----	50,000
National Cancer Institute-----	627,000
National Heart Institute-----	1,000,000
Dental research construction-----	2,000,000
Veterans Employment Service-----	450,000
Total-----	13,585,980

The largest increase is for payment of military service credits to the railroad-retirement account in the amount of \$166,852,000. The committee recommended that the full commitment be made in the bill, but also recommended that the funds be made available in installments over 4 years, starting with a quarter of the total of \$166,852,000 for the next fiscal year.

As a comparison with the increases recommended, the bill as reported to the Senate is \$161,947,980 over the estimates.

The VICE PRESIDENT. The clerk will proceed to state the committee amendments.

The first amendment of the Committee on Appropriations was, under the heading "Title I—Department of Labor—Office of the Secretary", on page 2, line 11, after the word "public", to strike out "\$1,074,000" and insert "\$1,154,000".

ALLEGED IRREGULARITIES IN OPERATIONS OF COMMODITY CREDIT CORPORATION

Mr. WILLIAMS. Mr. President, I wish to invite the attention of the Senate to page 5082 of the CONGRESSIONAL RECORD for yesterday. As Senators are well aware, yesterday we were discussing the extension of certain powers of the Commodity Credit Corporation. During that debate, on Friday of last week, I invited the attention of the Senate to certain irregularities in the operations of the Commodity Credit Corporation during the preelection period. It was rather noticeable that no Member of the Senate challenged those statements at that time. It was rather noticeable that during the 2-day interval from Friday to Monday, they were not challenged. I was discussing S. 900, the bill which was being debated, in which it was sought to give the Secretary complete power over the Commodity Credit Corporation. Recognizing the justification of my opposition to this provision, the Senate denied the Secretary of Agriculture control of that Corporation. However, just before the passage of the bill a statement was inserted in the RECORD for which evidently the chairman of the committee did not have too much respect, because for some reason he did not insert it in the RECORD earlier, and did not call it to the attention of the Senate during the debate. Evidently he must have felt that it would not have influenced the votes of Senators, although it was pertinent to the subject.

The Secretary saw fit to deny certain of the remarks which I made. I presume that had the chairman of the committee felt that those remarks were worthy of consideration, the statement of the Secretary's in reply to them would have been inserted in the RECORD earlier, or called to the attention of the Senate before the vote.

I should like to read a portion of the statement found on page 5082:

1. Senator WILLIAMS has accused the Department of misrepresenting facts when it stated last fall that CCC had operated at a profit.

A. He cited letters from the Budget Bureau setting forth the fact that the Corporation had lost over \$2,100,000,000 from 1933 to December 31, 1948.

B. He also cited a Budget Bureau letter stating the \$2,100,000,000 didn't include \$1,709,000,000 of section 32 expenditures.

(1) Senator WILLIAMS then proceeded to add these two figures and claimed the CCC has shown a loss of almost \$3,900,000,000.

C. He says the only way CCC can claim a profit is to count as income appropriations it has received or notes that have been canceled for it.

2. Senator WILLIAMS' charge and the basis on which he attempts to substantiate it are completely false.

A. He has twisted the facts to make it appear that the CCC has been a costly burden on the taxpayer, while, in fact, the Corporation has operated most economically considering the jobs it has had to do.

B. The Bureau of the Budget apparently either was misled by the manner in which the Senator presented his inquiry, did not know how to properly state the facts, or made no effort to do so.

Mr. President, I should like to repeat the last statement I have just read:

The Bureau of the Budget—

According to the Secretary of Agriculture, who is one of the members of the Cabinet, and is in charge of one of the Administration's Departments—

apparently either was misled by the manner in which the Senator presented his inquiry, did not know how to properly state the facts, or made no effort to do so.

Mr. President, in order that the RECORD may be clear, I am going to review those letters and the inquiry which I made at that time.

On February 1, 1949, I wrote the following letter:

FEBRUARY 1, 1949.

MR. FRANK PACE, JR.,
Director, Bureau of the Budget,
Washington, D. C.

DEAR MR. PACE: Would you please furnish me at the earliest possible date the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation since its inception in 1933 to the latest date you have available. I would like included in this report all moneys which have been expended by the Commodity Credit Corporation, including section 32 funds, minus the amount which has been returned to the Federal Treasury.

It is not necessary that this information be broken down in any manner, since the only answer I am interested in at this time is the net profit or loss sustained by the Commodity Credit Corporation during its lifetime.

That letter was signed by me.

Mr. President, the only statement contained in that letter which I can conceive of, as being confusing to Secretary Brannan, is the statement made in the first sentence, which I shall read again:

Would you please furnish me at the earliest possible date the net results, from a taxpayer's standpoint, of the operations of the Commodity Credit Corporation—

Evidently Secretary Brannan has never heard of any request of a Department to review its operations from a taxpayer's standpoint.

I read the reply to that letter, from F. J. Lawton, Assistant Director, Bureau of the Budget:

FEBRUARY 9, 1949.

MY DEAR SENATOR WILLIAMS: In answer to your letter of February 1, 1949, the net loss sustained by the Commodity Credit Corporation from its organization on October 17, 1933, through December 31, 1948, was \$2,146,930,367.

He includes in the letter a breakdown of the losses, although I did not ask for that.

I now read another section of that letter:

Because corporate funds have been replenished by congressional appropriations, the records of the Corporation show a surplus of \$52,544,719 on December 31, 1948.

In the letter he goes on to point out that nearly \$4,000,000,000 has accrued to this Corporation through cancellation of notes or through appropriations. He said that because that was counted as income, the Corporation was able to show a \$55,000,000 surplus.

In the same letter Mr. Lawton pointed out that the Commodity Credit Corporation had expended nearly \$2,000,000,000 under section 32. I wished to be sure that the Bureau of the Budget was correct in that respect, so I wrote another letter to the Bureau of the Budget; here is the second letter to Mr. Frederick J. Lawton, Assistant Director, Bureau of the Budget, Washington, D. C.:

FEBRUARY 9, 1949.

DEAR MR. LAWTON: I received your letter of February 9, 1949, containing the information requested in my letter of February 1, 1949.

Am I correct in my understanding that the \$2,146,930,367 designated as the loss sustained by the Commodity Credit Corporation from the date of its organization through December 31, 1948, does not include the \$1,743,960,803 mentioned in the second paragraph of your letter * * *?

Here is Mr. Lawton's reply to that letter, on February 16, 1949:

EXECUTIVE OFFICE OF THE PRESIDENT,
BUREAU OF THE BUDGET,
Washington, D. C., February 16, 1949.
HON. JOHN J. WILLIAMS,
United States Senate,
Washington, D. C.

MY DEAR SENATOR WILLIAMS: In confirmation of the telephone conversation with your office relating to your letter of February 9, you are correct in your understanding that the \$2,146,930,367 designated as the loss sustained by the Commodity Credit Corporation from the date of its organization through December 31, 1948, does not include the \$1,743,960,803 mentioned in the second paragraph of our letter as expenditures under section 32.

Yours sincerely,

F. J. LAWTON,
Assistant Director.

If no one in the Department can understand that language, Mr. President, I think it is time that we put in the Department someone who can understand it.

At this time I should like to yield to the Senator from Oklahoma [Mr. THOMAS], who inserted those documents in the RECORD, and I would like to ask him what there is in those letters that is not plain.

The VICE PRESIDENT. The Senator from Delaware requests unanimous consent that he may ask a question of the

Senator from Oklahoma [Mr. THOMAS]. Is there objection? The Chair hears none.

Mr. WILLIAMS. Mr. President, the question I should like to ask the Senator from Oklahoma, after reading those letters, what is it that is not clear enough in my letters and what is his opinion of the statement in which the Secretary said:

Senator WILLIAMS' charge and the basis on which he attempts to substantiate it are completely false.

The Secretary of Agriculture there was referring to the loss. Then he says:

He has twisted the facts to make it appear that the CCC has been a costly burden on the taxpayer, while, in fact, the Corporation has operated most economically considering the job it has had to do.

Continuing—

The Bureau of the Budget apparently either was misled by the manner in which the Senator presented his inquiry, did not know how to properly state the facts, or made no effort to do so.

At this point I should like to yield to the Senator from Oklahoma, to have him comment on that statement.

Mr. THOMAS of Oklahoma. Mr. President—

Mr. WILLIAMS. I yield.

Mr. THOMAS of Oklahoma. During the past several days and even weeks we have heard many charges made on the floor of the Senate by the Senator from Delaware against the Commodity Credit Corporation and against the Department of Agriculture, and perhaps against others. After those charges were made, I requested the Secretary of Agriculture to read the charges in the CONGRESSIONAL RECORD and then submit his answers. He complied with my request and submitted some answers. I placed those answers in the RECORD on yesterday.

I am willing to participate in the debate between the distinguished Senator from Delaware and the Department of Agriculture. I do not have the facts, in the first instance; and I do not have time to develop the facts. So the information I placed in the RECORD, as stated, was the reply of the Secretary of Agriculture.

Mr. WILLIAMS. I should like to ask the Senator from Oklahoma this question: Did I correctly understand from him that the statements are not his, but are the views of the Secretary of Agriculture, only?

Mr. THOMAS of Oklahoma. As stated in my request for the insertion of that material in the RECORD, they were developed at my request, but they were the statements of the Secretary of Agriculture, and, of course, not my own. I do not have the facts. I could not enter into the debate on this matter.

Mr. WILLIAMS. The facts were in the RECORD. I am glad to have the Senator from Oklahoma clarify his position by stating that he himself was not supporting the position taken by the Secretary of Agriculture, and that the views expressed are those of the Secretary of Agriculture, only.

I should like to point out that the only rebuttal which has been made to any of the statements I have made re-

garding this agency, the Commodity Credit Corporation, has come from the Secretary of Agriculture alone. So far, I have not seen anyone submit any facts anywhere, in any record, which would deny anything I have said. The only resort the Secretary now has is his own statement that—

The Bureau of the Budget apparently either was misled by the manner in which the Senator presented his inquiry, did not know how to properly state the facts, or made no effort to do so.

In other words, he says that when I asked the Bureau of the Budget to report on the question from a taxpayer's standpoint, the Bureau was not used to that kind of language, did not know how to reply to it, and gave an answer which was wrong.

Mr. President, I admit that probably I got an answer from the Bureau of the Budget different from any which I might have gotten from the Secretary of Agriculture, because I got the truth from the Bureau of the Budget, which is more than I have ever been able to get from the Secretary of Agriculture.

If the Secretary of Agriculture wished to place in the CONGRESSIONAL RECORD anything bearing on the record of the financial operations of the Commodity Credit Corporation, I would gladly insert it in the RECORD myself, if no other Senator wished to do so. If he can show from a taxpayer's standpoint where the Corporation made money, I wish he would do so, because the letter of the Bureau of the Budget which I inserted in the CONGRESSIONAL RECORD last Friday showed a detail of all the appropriations Congress has made, and the Bureau of the Budget subtracted from the total of those appropriations all the payments the Corporation has made back into the Treasury, and the net loss is shown to be nearly \$4,000,000,000, over and above the net worth of the Corporation today.

Mr. President, it is obvious that any man who, as a Government official, says that Corporation has made money, simply is not capable of handling public money properly.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. WILLIAMS. I yield to the Senator from Wisconsin.

Mr. McCARTHY. I have been very much impressed by the amount of work the Senator from Delaware has done with regard to the Commodity Credit Corporation. I have in mind a situation. I wonder whether the Senator has given it any thought or study, and what his reaction to the situation is. I refer to the Commodity Credit Corporation's handling of the situation insofar as rye is concerned. The Senator knows there is a support program for rye. I do not know how many rye farmers there are in Delaware. There are about 6,000 in my State, and it is of great concern to them. At this time the price our farmers are receiving for rye is about \$1.06 as against the support price of \$1.47. That means that if the Commodity Credit Corporation must take up all this

rye, it will cost the taxpayers again millions upon millions of dollars.

As I understand—and I wish the Senator would follow this closely and tell me, if I am wrong—the facts which brought about this situation are as follows: The Agricultural Department has taken the position that there is a shortage of rye in this country, and in effect has invited the importation of a sizeable amount of Canadian rye. That rye of course goes into the elevators, where it is intermixed with American rye. The Army has requested the Commodity Credit Corporation to purchase large quantities of rye, which is needed in the occupation areas in Germany and Austria. Of course the Army under the law cannot do that purchasing directly. It must be done through the Commodity Credit Corporation. The ECA has requested the Commodity Credit Corporation to purchase rye. Because of the present price of rye, it costs less according to caloric content I believe than any other available food. Here is an unusual situation as I understand. The Commodity Credit Corporation says it will not purchase that rye for the Army. It will not purchase any rye that is in an elevator in which there is any Canadian rye. The end result has been that the Army must go to the Argentine, where it is purchasing rye, and the Commodity Credit Corporation is artificially and purposely—and I use the word "purposely" because I cannot find any other explanation—depressing the price of rye in this country, to the end that they must spend huge amounts of money to bring rye back up to the support price.

In that connection I may say the two Senators from Minnesota [Mr. HUMPHREY and Mr. THYE], the senior Senator from North Dakota [Mr. LANGER], the junior Senator from North Dakota [Mr. YOUNG], and I called upon the Secretary of Agriculture about six weeks ago and asked for an explanation of what appeared to be a very ridiculous situation—a situation in which the Secretary of Agriculture says "We will deliberately depress the price of rye," to the injury of farmers in the Middle West, and at the same time at great cost to the taxpayers, since the price of rye must be brought up to the support price, after it has been artificially depressed. He was unable to give us any explanation whatever of this act. I wonder whether the Senator has any comment upon this deliberate attempt, first, to injure the farmer, and second, to make it necessary to spend huge amounts of the taxpayers' money.

Mr. WILLIAMS. Mr. President, I am sorry I am not sufficiently familiar with the particular transaction to discuss it. However, I am aware of some of the facts, and as I understand, they are very nearly as stated by the Senator from Wisconsin. I am not at all surprised at the procedure they are following, because it is merely another example of the stupidity of this organization under its present management. That was one of the reasons for my being so insistent on the floor of the Senate during the past 2 days that the control of the Corporation

be placed in the hands of an independent board which could be held accountable to Congress, and not placed in the hands of a man whose sole ambition was to further the political fortunes of his party. I put in the RECORD, Friday certain records which showed how they had pulled the plugs from under the grain market in the pre-election period, which in my opinion was done for the sole purpose of influencing the outcome of the election. It is very significant to note that in Secretary Brannan's reply, inserted in the RECORD, he offered no explanation whatever, and made no effort to deny the charge. The reason he made no effort to deny it is, I am sure, he knows I got my information from the records of his own office. If there is a denial, however, it may be, voluminous, I shall be glad to insert it in the RECORD. I think it is, I shall not say criminal, but inexcusable negligence on the part of the administration to manipulate the markets to the detriment of the farmers, purely in order to gain in many instances nothing but political advantage.

Mr. McCARTHY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Delaware yield to the Senator from Wisconsin?

Mr. WILLIAMS. I yield.

Mr. McCARTHY. Does the Senator think there is any significance in the fact that each year while the farmers have their rye in their bins, where they still own the rye, then the market is artificially depressed by actions such as the Commodity Credit Corporation has taken this year? I may say its actions in other years have had the same effect, though they have been of a different type. But we have had a history each year of the rye market being depressed until the rye gets out of the farmer's hands and into the hands of speculators, and then the Commodity Credit Corporation promptly takes steps to bring the price of rye up, after they can no longer do the farmer a penny's worth of advantage. Does the Senator think that is at all significant?

Mr. WILLIAMS. That practice has been followed in respect to many crops, as I have pointed out repeatedly during the past 2 years. I pointed out again last Friday that it was done last fall in connection with the corn crop particularly. I pointed out how the market had been manipulated as late as February 1949. I pointed out how in the month of February, in the week ending February 4, they cut purchases drastically, almost overnight, 93 percent below the preceding week, with the result that the grain market was completely demoralized for 3 or 4 weeks. They stayed out of that market, and in the early weeks of March they entered the market, with heavy buying that shot the market up. I said then that if they did not know any better, it was time we had somebody in the Corporation who did know how to operate; and, if they did know better, it was inexcusable.

The Secretary points it up again, questioning the accuracy of my statement regarding the fact when I said the Commodity Credit Corporation bill last year was passed without any objection on the

floor of the Senate. If there was any objection on the floor of the Senate I wish again some Senator would rise and tell me who objected on the floor of the Senate. I should be glad to yield to anyone who wants to point out in the RECORD where anyone objected, because I cannot find it in the RECORD.

I shall read the record which was taken on the day the conference report was submitted in the Senate. It is the conference report on the Commodity Credit Corporation bill. I read from the RECORD, as follows:

The PRESIDING OFFICER. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, I congratulate the Senator from Vermont on bringing in a conference report, but I am a little curious to know for how long it extends the life of the Commodity Credit Corporation.

Mr. AIKEN. This conference report gives perpetual existence to the Commodity Credit Corporation. The principal change from the Senate bill is this: The Senate bill provided for a board of five members to be appointed by the President and confirmed by the Senate. The House bill provided for a board of five members, three of whom must be outside the Department of Agriculture. The conference committee report provides for a board of five members to be appointed by the President, two of whom shall not be employees of the Department of Agriculture, leaving the Board comprised of three who may be employees of the Department of Agriculture and two chosen from outside the Department.

Mr. RUSSELL. Is the Secretary of Agriculture a member of the Board?

Mr. AIKEN. Yes, indeed. I am sure he is a member of the Board.

Mr. RUSSELL. Does the Senator believe that this Board, as constituted under the terms of the conference report, will be closely integrated with the work of the Department of Agriculture?

Mr. AIKEN. Yes. The Senator from Vermont is satisfied that probably three members chosen out of the five will be within the Department of Agriculture. The Senator from Vermont is not satisfied that the Board of five is large enough, but has hope that the next Congress may see fit to enlarge the Board if the five members prove to be inadequate.

I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

If there was any objection, or if there was pointed out anything objectionable in the conference report I fail to find it. I repeat, when the President signed that bill he made no statement whatever of any objection. True, he made statements later. Yes, he made numerous statements, with many of which I did not agree. But, again, he did not come back to the special session of the Congress to ask for the repeal of any of the legislation we had passed. If he had recognized this as such a dangerous piece of legislation, why did he not include that in his recommendations to the special session last summer?

Furthermore, if what the Secretary of Agriculture says is true, as he says it is, and if he recognized at the time the law was passed its inadequacy to meet the situation, why had he not bought the grain bins which were needed for the

1948 crop? He admits he had ample authority under the old law to buy all the grain bins he needed, and to put them in the name of the Corporation. He had the power to buy all the land he needed, or to lease it; but up to July 1, 1948, the effective date of the law which was passed last year, yet he took absolutely no action on the question anywhere. He was still selling grain bins. He sold them in May, June, July, August, and right straight through up to December. There was nothing in either law which said he had to do it. There was not anything written anywhere to that effect.

According to the statement of the Comptroller General, in auditing the accounts, a situation existed particularly regarding grain bins, in which the Corporation itself did not know how many grain bins it owned. It did not know whether it owned any; it did not know where they were located and did not know what was their condition. In other words, its records were in a deplorable condition. That is the reason why the farmers got caught without grain bins. The Department of Agriculture was asleep on the job and awoke in the middle of the 1948 crop year and tried to find someone to be the goat.

I still insist, Mr. President, the Corporation was selling grain bins during the period when it was bemoaning the fact that it was short of grain bins. I asked the Secretary to produce to the Senate the report, which is in his own files, and to which I referred last Friday, which is so highly confidential that the Department is afraid to reveal it to the Congress and to the people because that report will confirm every statement I made last Friday. The Secretary knows it will confirm my statements.

There is another part of his statement to which I shall refer briefly. I shall not reply to it at this time, but shall reply to it at a later and more appropriate date. I refer to the answers in the RECORD which were made in reference to the shortage of \$366,000,000. I merely want to recognize that statement at this time and to say that I have not overlooked it. I have not changed my position from the first time when I stated that an investigation was justified. I have reason to believe that such an investigation should and will be conducted. Therefore I shall not reply to that statement at this time.

LABOR-FEDERAL SECURITY APPROPRIATION ACT, 1950

The Senate resumed the consideration of the bill (H. R. 3333) making appropriations for the Department of Labor, the Federal Security Agency, and related independent agencies, for the fiscal year ending June 30, 1950, and for other purposes.

Mr. SALTONSTALL. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

Mr. SALTONSTALL. Mr. President, I respectfully withdraw the suggestion of the absence of a quorum.

The VICE PRESIDENT. Without objection, the first committee amendment, on page 2, line 11, to strike out "\$1,074,000" and insert "\$1,154,000", is agreed to.

The clerk will state the next amendment.

The next amendment was, on page 2, line 16, after the word "Columbia", to strike out "\$1,064,200" and insert "\$1,093,900."

The amendment was agreed to.

The next amendment was, on page 3, line 5, after the word "Secretary", to strike out "\$391,000" and insert "\$550,000."

THREATENED ABANDONMENT OF AMERICA'S HISTORIC TRADITION OF SOVEREIGN INDEPENDENCE

Mr. LANGER. Mr. President, the American people now confront their most fateful decision beside which ECA, the Atlantic Pact, the rearmament of western Europe, the inevitable Mediterranean pact, and the prospective Pacific pact, are all incidental.

The fateful decision to which I refer is the question of whether we are finally to abandon forever our historic tradition of a sovereign independence and constitutional guaranties and safeguards of our economic, social, political, and personal rights and liberties.

Why is it, Mr. President, that at a time when this, and this alone, is the single decision before us, the American people are not up in arms fighting desperately to expose and oppose those forces which, behind a deliberate barrage of cynical propaganda, are steadily undermining the whole foundation of our heritage of freedom?

The reason for this tragic circumstance has been ably stated by one of America's outstanding journalists, Mr. Herbert S. Agar, when he said:

The first duty of citizens in a country which is trying to be free is that you should know and make a greater effort to know what is going on, and also an equivalent effort to know what ought to be going on. Until you put the two things together, the news isn't dangerous. That is the reason I think there is likely to be underemphasis on the importance of interpretation and what ought to be going on, because the facts are not explosive, not dangerous, and therefore, the public doesn't resent the facts until they are related to a picture of what ought to be happening.

Mr. President, such a condition is dangerous enough, but when the facts themselves are twisted, distorted, or slanted, out of all recognition, in relation to the reality which they are alleged to reflect, no people—not even the American people—can save themselves from the inevitable consequences.

When the truth is deliberately distorted by clever falsehoods, not even the American people can distinguish between the two. Much less can they organize a united opposition to expose and check the political pied pipers who are leading us astray. As a consequence, it becomes almost impossible for those who do know what is going on to rise above a blind, negative opposition, to formulate and champion any constructive alternative course of action.

Mr. President, nowhere are these truths more startlingly revealed than in a recent editorial which appeared in the British paper, the Recorder, which was published in London on February 26, 1949. I hope every Senator who is not

present will read what this British newspaper has to say about America. I quote from the editorial, as follows:

It is chiefly from America that the talk has come of war, if finally necessary to stop Russia.

But if a step involving war does become necessary to stop Russia oppressing, dominating, conquering, subjugating and enslaving little peoples, then Britain will have to make it.

The United States, as again we have said before, is inexperienced in world diplomacy compared with the two or more centuries of success in foreign affairs which is the record of Great Britain. * * *

American inexperience in diplomacy has brought the world nearer to war. Now the firmness of Britain will have to prevent that war. * * *

The British Empire is one. It is still the greatest power in the world. The British Empire will have to take over again the leadership of the world.

No use now for the United States to continue speaking and writing earnestly about responsibility of the American Century of suggesting even taking a hand in the running and development of the colonies of the British Empire. The United States is still a new country of conglomerate peoples. It has much to learn. And its constitution does not allow the moral courage which must be evident in a leader of the world. * * *

And if war should come—which, please God, historic breadth and firmness, such as is embodied by Mr. Winston Churchill will prevent—then America would be dragged in as she was by Japan, for Stalin does not believe that the present Russia and the present United States can long continue to live side by side in the world. And the vast industrial output of the United States would play its great part in defeating Russia as it did in the final years of the wars against Germany. * * *

The British Empire has strength as well as experience and moral courage. These can yet prevent war if there is no more blundering diplomacy—American words—and if the wide and united British Empire once again, and now takes up its rightful leadership of the world.

Mr. President, for those Americans who are now concerned to read the signs of the times aright, this British editor has rendered an invaluable service. For behind this editorial are three basic facts, a full understanding of which reveals the staggering implications of a permanent acceptance by the American people of their present role in the internationalist propaganda policies and programs, to which they are now committed.

Mr. President, the first fact is that which this editor cautiously refers to as America's blundering diplomacy, which has brought the world nearer to war. This refers to the outrageous roles that two American Presidents have played as international power politicians at the secret conferences of Tehran, Yalta, and Potsdam. As a consequence, Mr. President, the world has been torn in two. The system of sovereign independent nation states, upon which all our international law of the past 400 years has been founded, has been destroyed. Russia stands today outstretched across half the world. International free trade, based on the free enterprise system, is now fighting for its life against a closed door, slave labor, state-controlled trade monopoly in the hands of those who are

determined to use the products of agriculture and industry as a major political weapon, even at the expense of their own people. And America has been left with the impossible task of underwriting, in the midst of civil and guerrilla warfare, the two bankrupt imperial possessions of western Europe and eastern Asia.

In addition, Mr. President, America has been committed for the past four postwar years to the underwriting, at the expense of the American people, of the most savage policies of revenge, of destruction, of mass deportation, of slave labor, and deliberate mass starvation of millions of the helpless and innocent.

As a consequence of these policies, to which the American people have been committed without even their knowledge or consent, we have been financing and legalizing the most pro-Communist policies and programs conceivable, even though they not only betrayed our American and Christian principles, but, actually threatened our national security as well.

It is little wonder then, that this British editor refers to all of this as "blundering diplomacy," for, dependent as Britain is on the continued outpouring of American resources to save her own neck, the British are as determined as our own present administration not to breathe a word of the criminal betrayals that have thus far taken place, under the auspices of Anglo-American diplomacy.

Is it not tremendously significant that in the document titled "The North Atlantic Pact," which the Department of State prepared as an explanation of the pact itself, there is not a single reference to these outrageous secret agreements which continue to legalize Russian aggression while they are still on the diplomatic books?

Here, then, is what the American people are being asked blindly to embrace, namely, a series of outrageous secret agreements, which for sheer brutality and cynical repudiation of the rights of private property, and the dignity of human personality, are unmatched in history.

Mr. JENNER. Mr. President. The PRESIDING OFFICER (Mr. MAYBANK in the chair). Does the Senator from North Dakota yield to the Senator from Indiana?

Mr. LANGER. I yield to the Senator.

Mr. JENNER. Not only were there secret agreements, but is it not a fact that France and England, two of the signatories to the North Atlantic Pact, now have an open agreement with Russia that they will not enter into any coalition of any kind without Russia's consent?

Mr. LANGER. The Senator is exactly correct.

Does anyone in his right mind believe, Mr. President, that the American people would adopt the permanent role of underwriting, with what remains of our blood and treasure, the suicidal consequence of these secret agreements, if the American people were honestly told what has happened?

Mr. President, more than 2 years ago I made a demand on the floor of the Sen-

and welfare of this country; at times it appears as though we pay little attention to the needs of our own people; yet we came along here and because some foreign country presents a claim regardless of the size and the rate of interest we hastily undertake to pass it and do so before we find out what our own rights are and the equities of our own citizens are.

I am not one who says that there may not be some merit to this bill; there may be, but certainly in giving these people \$16,000,000, people whose very freedom depended on our effort, we are being doubly generous, yes, trebly so; and, certainly, it is being generous in view of the fact that as of this amount the War Claims Commission set up to review the entire war claims picture has not even begun to operate.

I say that the time to begin to consider America's welfare is on even a small bill of this nature; and before we go to giving the Swiss interest at a rate of perhaps 5 percent, or at any percent, let us pause; let us weigh equities, country by country, and individuals by individuals, our own country and individuals first; if we give the Swiss the amount of money provided by this bill, we shall have been wonderfully free in the taxpayers' money, especially since the claims of our own people, people who suffered literally around the world, have not been adjudicated. Yes, let us be a little more cautious.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BECKWORTH. I yield.

Mr. JUDD. Surely the gentleman does not want to lump into the same category claims that come as the result of American violations of the rights of neutrals and claims that come because of mistreatment of some of our own soldiers by an enemy country. The gentleman belongs to the party of the great Woodrow Wilson, who took our country into World War I because of the violation of the rights of neutrals. We were the neutral. We insisted on sending ships into combat areas. Yet when they were damaged we considered the infringement of our rights so serious as to require war.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. JUDD. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for two additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. BECKWORTH. Mr. Chairman, I may say to the gentleman from Minnesota that if we had lumped them all together and dealt with them until a final conclusion as to what was fair and right for our own country and our own nationals as well as other countries and the nationals of other countries, we might not have been left holding the bag as to certain kinds of claims at the conclusion of World War I.

Mr. JUDD. But we did not. What does that have to do with the claim of the Swiss when we admit we violated their neutrality? It was not intentional,

but innocent neutral people were killed, they suffered, and we are responsible.

Mr. BECKWORTH. I may say that the claim issue taken from an over-all point of view is one that as of this date cannot be clearly assessed because its many ramifications and the various points of view. The very fact there are several different bills before the Congress at this time, bills that relate to devious and numerous types of claims, claims even from countries other than Switzerland, I am sure, is evidence of that fact.

Mr. JUDD. It has been 4 years and that does not seem to me to be very hasty or pell-mell. Negotiations have been going on and are still going on. Originally the claims were for about \$18,000,000. The Army has paid part of them, it has negotiated others, it has reduced the figure by about 6,000,000. There has been fair bargaining and agreement. Does not the gentleman want this country to keep its agreements?

Mr. BECKWORTH. All of which adds up to the fact the whole picture is a complicated situation that has not even been studied with reference to the claims of our own civilians and soldiers although our War Claims Commission was authorized nearly a year ago. May I say it has been 4 years, yes, and longer than 4 years since our boys were on the Bataan march. Why not be as expeditious in handling those claims as handling the Swiss claims.

Mr. JUDD. I would like to be, and I support such a move. To me it is outrageous that the Government has not put the War Claims Commission into operation. But why penalize the Swiss for our failures in another field?

Mr. BECKWORTH. Why not come to ours first?

Mr. JUDD. I am in agreement with the gentleman as to the responsibility for our own here at home, but the Committee on Foreign Affairs cannot handle those other claims; that is the responsibility of other committees.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

The question is on the substitute offered by the gentleman from New York [Mr. TAURIELLO] to the amendment offered by the gentleman from Ohio [Mr. YOUNG].

The question was taken; and on a division (demanded by Mr. TAURIELLO) there were—ayes 23, noes 22.

Mr. KEE. Mr. Chairman, I demand tellers.

Tellers were refused.

So the substitute was agreed to.

Mr. PHILLIPS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS of California. I would like to ask whether it takes 20 percent of 100 or 20 percent of the Members present on the floor to order tellers.

The CHAIRMAN. Under the rule it takes 20 in the Committee of the Whole to order tellers.

Mr. PHILLIPS of California. I thank the Chairman.

The CHAIRMAN. The question is on the amendment offered by the gentle-

man from Ohio [Mr. YOUNG] as amended by the substitute offered by the gentleman from New York [Mr. TAURIELLO].

The question was taken; and on a division (demanded by Mr. JUDD) there were—ayes 24, noes 22.

So the amendment as amended by the substitute was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Page 2, line 3:

"SEC. 2. Appropriations are hereby authorized to carry out the purpose of this act."

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CHIEF, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, pursuant to House Resolution 204, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. TAURIELLO) there were—ayes 25, noes 23.

Mr. KEE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that further consideration of the bill be postponed until tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

STOCK PILING OF STRATEGIC AND CRITICAL MATERIALS

Mr. LYLE, from the Committee on Rules, reported the following privileged resolution (H. Res. 208, Rept. No. 546), which was referred to the House Calendar and ordered to be printed:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the Chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage.

without intervening motion except one motion to recommit.

ARTIFICIAL LIMBS

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 2932) to exempt artificial limbs from duty if imported for personal use and not for sale, with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the Senate amendment as follows:

Line 6, after "and" insert "limb."

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendment was concurred in.

A motion to reconsider was laid on the table.

EXTENSION OF REMARKS

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances and include in one a magazine article.

Mr. SHORT asked and was given permission to include in his remarks extended in the RECORD during debate in Committee of the Whole this afternoon an editorial that appeared in today's Washington News.

Mr. WAGNER asked and was given permission to extend his remarks in the RECORD on Loyalty Day.

Mr. DINGELL asked and was given permission to extend his remarks in the RECORD and include an article by Mr. Lowell Mellett.

Mr. O'BRIEN of Illinois (at the request of Mr. RABAUT) was given permission to extend his remarks in the RECORD and include an article by Gen. Julius Klein.

PERSONAL ANNOUNCEMENT

Mr. DOYLE. Mr. Speaker, this afternoon at the last quorum call I was not present on the floor. The reason therefor is that I was in attendance at a session of the United States Supreme Court when the argument was being made in the case of United States against Texas, involving tidelands. I was present because of the great interest of the State of California in that subject and my own interest in it.

CORRECTION OF VOTE

Mr. TAURIELLO. Mr. Speaker, I have been informed that on roll call No. 89 this afternoon I was not recorded. I was present and voted "yea." I ask unanimous consent that the correction be made.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

BUREAU OF INTERNAL REVENUE

Mr. DINGELL. Mr. Speaker, the House Members are familiar with the great care exercised by the Ways and Means Committee in its preparation of the revenue bills. Every effort is made to provide the Government with the revenue needed. Yet the objectives sought can easily be defeated unless such laws are enforced. As I understand it, the Commissioner of Internal Revenue in his testimony before the Appropriations Committee has sounded a strong warning as to signs of deterioration in voluntary compliance on the part of the taxpayers, and the resulting inadequacy of present enforcement work. This is due, according to his testimony, to the fact that he does not have an adequate staff of front-line enforcement officers to enforce the provisions of the taxing statutes. His warning is not based merely on personal opinions, but is supported by the views of an impartial advisory group appointed by the Joint Committee on Internal Revenue Taxation under Public Law 147 of the Eightieth Congress. The report of this group was submitted to the joint committee last year, and as a member of both the Ways and Means Committee and the joint committee, I have carefully considered the findings of that group. I think every Member of the House should read that report. That group's estimate of minimum employees required to adequately administer present tax laws with substantially the present type of Bureau procedures was 67,700 persons. This is 13,707 more employees than have been approved by the House for 1950. In other words, the House has provided the Bureau of Internal Revenue with nearly 20 percent less staff than the advisory group of the joint committee felt was essential to collect our taxes.

After thorough hearing of the Bureau's requests, the Senate granted the full amount requested by the President. This is further evidence that the tax-collecting agency should be provided with the funds essential to maintain our revenue under the laws which are now on the books.

In view of this, I should like to ask that the conferees appointed to consider H. R. 3083 with the Senate give their most earnest consideration to the report of the joint committee, as well as to the record of the testimony before the Senate Appropriations Committee, in connection with their discussions, and I trust that in no event will they make arbitrary reductions without due regard to the circumstances cited in that report.

The members of the Committee on Ways and Means, deeply concerned, have already probed this matter and their findings indicate the loss of hundreds of millions of dollars due the Treasury could have been collected from careless taxpayers or mostly from deliberate evaders. If the revenues due the Government are not being fully collected because of a short-sighted appropriations policy which curtails personnel to the crippling point, then for a certainty there will be a deficit which only an increase in the tax schedules can balance. Such tax increase will be borne not by

the tax evader, but will be thrust upon the honest taxpayer.

As a member of the Joint Committee on Taxation and of the Ways and Means Committee, I assume this important question of personnel will be carefully scrutinized by the conferees and, I deduct, the findings of the advisory group along with their recommendations will be sustained. It stands to reason that a cut in appropriations for personnel is short-sighted when for every dollar of the reduced appropriation a revenue loss of at least \$20 is incurred. A simple arithmetical difference or loss of \$19 for every dollar saved in salaries. The original move was born of a desperate effort to show paper reductions in expenditure regardless of ultimate consequences upon revenues.

The reasonable and sound course to follow in righting the error of the meat-tax expenditure reduction which crippled the Bureau of Internal Revenue and proved so costly to the Treasury is to provide immediately for the restoration of the maximum number of qualified employees who can be trained to do the job effectively.

The Secretary of the Treasury and the Commissioner of Internal Revenue on the record do not want an excess of employees beyond the ability of the Department to train and absorb them into an efficient tax-collecting organization.

SPECIAL ORDER

The SPEAKER. Under previous order of the House, the gentleman from Wisconsin [Mr. KEEFE] is recognized for 60 minutes.

THE PUBLIC HEALTH AND CHEMICAL FOOD SUBSTITUTES

Mr. KEEFE. Mr. Speaker, research workers in our chemical laboratories did a magnificent service for the country during the war through the development of new chemicals and their application to new uses. Like many scientific developments, the consequences of these new discoveries are not all beneficent. We are now faced with growing pressures for the use of scores and hundreds of new chemicals in our food supply without sufficient knowledge of what effect they may have on our health and welfare. I am informed that since the beginning of the war more than 500 new chemicals have been prepared for use in one or more of our foods. The claimed advantages of foods which are chemicalized are legion. Among them are improved appearance, texture, flavor, uniformity, keeping quality, and suitability to streamlined production, resistance to attack by insects and other vermin, cheaper production and handling costs, and so forth. Most of these new chemicals have been inadequately tested to show whether or not they may ultimately through continued use poison the consumer.

To commercialize a new chemical for use in food before its potentialities are known is in my opinion to use the public as a guinea pig. The necessity cannot be too strongly stressed for a thorough-going investigation of all phases of toxicity of every new chemical intended for use in connection with

CONSIDERATION OF H. R. 2682

MAY 9, 1949.—Referred to the House Calendar and ordered to be printed

Mr. LYLE, from the Committee on Rules, submitted the following

REPORT

[To accompany H. Res. 208]

The Committee on Rules, having had under consideration House Resolution 208, reports the same to the House with the recommendation that the resolution do pass.

○

House Calendar No. 55

81ST CONGRESS
1ST SESSION

H. RES. 208

[Report No. 546]

IN THE HOUSE OF REPRESENTATIVES

MAY 9, 1949

Mr. LYLE, from the Committee on Rules, reported the following resolution; which was referred to the House Calendar and ordered to be printed

RESOLUTION

1 *Resolved*, That immediately upon the adoption of this
2 resolution it shall be in order to move that the House re-
3 solve itself into the Committee of the Whole House on the
4 State of the Union for the consideration of the bill (H. R.
5 2682) to amend the Commodity Credit Corporation Charter
6 Act, the Strategic and Critical Materials Stock' Piling Act,
7 and for other purposes. That after general debate, which
8 shall be confined to the bill and continue not to exceed two
9 hours, to be equally divided and controlled by the chair-
0 man and the ranking minority member of the Committee
1 on Banking and Currency, the bill shall be read for amend-
2 ment under the five-minute rule. At the conclusion of the

1 consideration of the bill for amendment, the Committee shall
2 rise and report the bill to the House with such amendments
3 as may have been adopted and the previous question shall
4 be considered as ordered on the bill and amendments thereto
5 to final passage without intervening motion except one
6 motion to recommit.

House Calendar No. 55

81ST CONGRESS
1ST SESSION

H. RES. 208

[Report No. 546]

RESOLUTION

Providing for the consideration of the bill
(H. R. 2682) to amend the Commodity
Credit Corporation Charter Act, the Stra-
tegie and Critical Materials Stock Piling
Act, and for other purposes.

By Mr. LYLE

MAY 9, 1949

Referred to the House Calendar and ordered to be
printed

mobiles or airplanes, when engaged on official business within or outside their designated posts of duty or places of service. In addition to the mileage allowances provided for in this section, there may be allowed reimbursement for the actual cost of ferry fares, and bridge, road, and tunnel tolls.

SEC. 5. The departments and establishments may advance, through the proper disbursing officers to any person entitled to per diem or mileage allowances under this act, such sums as may be deemed advisable considering the character and probable duration of the travel to be performed. Any sums so advanced and not used for allowable travel expense shall be recoverable by set-off of salary due, retirement credit, or otherwise, from the person to whom advanced, or his estate, by deduction from any amount due from the United States, or by such other legal method of recovery as may be necessary.

SEC. 6. The fixing and payment under this act of travel allowances, of advances and recovery thereof, and reimbursement of travel expenses under the act of March 3, 1875 (5 U. S. C. 73), shall be in accordance with regulations which shall be promulgated by the Director of the Bureau of the Budget.

SEC. 7. This act shall not be construed to modify or repeal any act providing for the traveling expenses of the President of the United States, President of the Senate, of Senators, Representatives, Delegates, and Resident Commissioners.

SEC. 8. (a) The Subsistence Expense Act of 1926 and the Auto Mileage Act of February 14, 1931, are repealed. All acts (other than the act of March 3, 1875 (5 U. S. C. 73), and appropriation items for examination of estimates in the field) providing for reimbursement of actual travel or transportation expense; and all other acts, general or special, which are inconsistent with or in conflict with the provisions of this act (except such acts or parts of acts as fix or permit rates higher than the maximum rates established under this act) are hereby modified, but only to the extent of inconsistency or conflict with the provisions of this act: *Provided, however*, That acts making appropriations for the fiscal years 1949 and 1950 (whether approved before or after the approval of this act) which authorize or permit, in either general or specific terms, the payment of travel or transportation expenses without regard to the Subsistence Expense Act of 1926, as amended, or the Standardized Government Travel Regulations, shall be construed to authorize payment of such expenses from the appropriation concerned without regard to this act.

(b) Wherever provision is made in any law for the payment of per diem allowances to officers and employees in any branch or establishment of the Government not covered by this act, in accordance with the rates provided in the Subsistence Expense Act of 1926, such law is hereby amended to provide for payment at the rates prescribed in or under this act.

SEC. 9. This act shall take effect on the thirtieth day after the date of its enactment.

Mr. KARSTEN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and printed at this point in the RECORD, and be open to amendment at any point thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Page 2, line 18, strike out "\$10" and insert "\$9."

The committee amendment was agreed to.

The CHAIRMAN. Under the rule the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. PRIEST) having assumed the chair, Mr. BATES of Kentucky, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 3005) to regulate subsistence expenses and mileage allowances of civilian officers and employees of the Government, pursuant to House Resolution 205, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. LYLE. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 208 and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock-piling Act, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. LYLE. Mr. Speaker, I yield 30 minutes of my time to the gentleman from Massachusetts [Mr. HERTER] and yield myself such time as I may use.

Mr. Speaker, House Resolution 208 makes in order the immediate consideration of a bill (H. R. 2682) to amend the CCC Charter Act, the Strategic and Critical Materials Stock-Piling Act, and for other purposes. The resolution provides for an open rule and 2 hours of general debate.

This bill will generate considerable controversy, much of which, in my judgment, arises from general misunderstanding as to the purpose, intent, and necessity for legislation of this charac-

ter. I am hopeful that general debate will dispel the uncertainty and much of the apparent controversy.

The CCC was created in 1933 as a Delaware corporation, and under such charter it had wide powers. Subsequently it operated and became a most helpful and useful instrument of the Government in carrying forward its farm program, and, with few exceptions, the corporation had the confidence of everyone. Under the President's reorganization plans, the corporation was made a part of the United States Department of Agriculture, and the Secretary of Agriculture was given the responsibility for general direction, supervision, and administration of its operations. Pursuant to the Government Corporation Control Act, the corporation was given a Federal charter in 1943. The corporation operated from 1939 until 1948 with the Secretary of Agriculture exercising the rights of the United States as sole stockholder. The Federal Charter Act of 1948 placed the control of the corporation in its board of directors. H. R. 2632, which is proposed for consideration under the rule, would amend that feature of the act and restore to the Secretary of Agriculture the authority to supervise and direct the activities of the corporation. The committee, and many of us, are of the opinion that this is good administrative procedure. The Secretary of Agriculture is responsible for the price-support program. The agency by which he discharges this responsibility is the CCC. It follows, therefore, that he should have the direct control and supervision of the corporation in order that he might properly and efficiently discharge his responsibility. There are no hidden purposes, no evil motives. Simply, it is proposed to place authority with responsibility.

A program which undertakes to stabilize farm commodity prices by assuring a minimum loan price or by removing and disposing of burdensome surpluses by other means, is essential to the general welfare of our economy. Experience—bitter experience—has taught us that we can have no national security and prosperity without a prosperous farm economy. The CCC has contributed materially to our agricultural program and is the most important means of supporting farm prices and of reducing surpluses of farm commodities.

The second feature of the proposed legislation concerns the proper function of the Corporation in providing adequate storage for agricultural commodities. H. R. 2682 would restore authority to the CCC to acquire items of personal property used in connection with the care and preservation of agricultural commodities controlled by it. Also, it would permit the Corporation to acquire real property and such plants and facilities which are part of the realty as are necessary to provide adequate storage. The present law prevents the Corporation from acquiring or leasing real property for handling, storing, processing, servicing and transporting agricultural commodities subject to its control.

If the proposed measure is adopted, the Corporation can develop a well-rounded program under which it can

acquire grain bins and other storage facilities, and can make them available to producers through the purchase and resale of bins and materials. In addition, it could make loans to construct or otherwise acquire such facilities, and assist in the solution of storage problems through other means. There would remain, however, the general prohibition upon the acquisition of real property or other facilities unless the Corporation determined that existing privately owned facilities for such commodities in the area concerned were not adequate. The bill would require the fullest cooperation on the part of the Corporation with private industry. This is the most important provision of the bill. There are Members who do not agree with the wisdom of the price-support program; however, an overwhelming majority of this House is convinced that the program has contributed materially to the welfare and stability of our Nation. In my area the price-support program is badly crippled and in some instances, it is useless and helpless, as a result of the lack of storage facilities for agricultural commodities. The absence of such facilities works an irreparable hardship upon the producers.

Approximately 15,000,000 bushels of sorghum grain is grown annually within a radius of 50 miles of my home. This is, I believe, the greatest grain-producing area in the United States without a terminal grain elevator and storage facilities for the orderly marketing of the crops. During the 1948 shipping season grain growers in this area, due to the lack of storage facilities, had to ship their products several hundred miles. Much of this grain was later exported, which, of course, required additional rail hauling to ports of embarkation. I am advised that the total expense of movement over this route was in the neighborhood of 59 cents per hundred pounds. Hundreds of thousands of dollars would have been saved if adequate storage had been available.

More unfortunate, however, was the fact that much of the grain could not be placed in the farm-support-price program because of the lack of storage. Consequently, the producers were forced to sell below the value established by the price-support program. This resulted in great losses again to the producers. In this connection, the average freight on the car of grain to Galveston or Houston amounts to \$300 per car. Last year a minimum of 6,000 cars were produced in that area. It is quite easy to see that approximately \$2,000,000, which could have gone to the producers, went to freight.

When the chairman of the Committee on Agriculture appeared before the Committee on Rules, we were assured that it was the intent of the Secretary of Agriculture and the President of the CCC to exercise the authority proposed in H. R. 2682 through private channels. Farmer cooperatives and private will unquestionably be pleased to cooperate with the CCC in providing adequate storage facilities for grain and other commodities if this bill is passed. I do not believe that it is necessary for the Government to

construct storage facilities. I do not favor that practice. I favor private construction with Government aid, and this bill will lead to that. I am convinced, however, that unless the CCC and the Secretary of Agriculture have the power and authority as proposed in H. R. 2682, to extend help and credit to private industry, we will not secure adequate or proper storage facilities. Unquestionably, Congress intended that the farmer should have the benefit of the price-support program. That program cannot now be fully effective with the present storage facilities in many areas. This bill is timely, it is consistent with our concepts of private enterprise and the proper function of Government in the great agricultural program. I am hopeful that there will be no objection to the rule and that we may consider this important legislation without delay.

Mr. HERTER. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the gentleman from Texas has said, this is a controversial measure. I think it has in it certain provisions which should probably be enacted into law. For that reason, I will not fight the rule on the bill. On the other hand, unless this bill is amended, and quite drastically amended, I will not be able to vote for it. I should like to point out one or two things that this bill does which seem to me to go way beyond the intent of the original measure.

Last year, with our very large crops and our surpluses, the support program failed in certain respects because adequate storage in certain areas, particularly for grain, was not available. I think everyone is sympathetic, with the prospect of another great crop coming on in this country, to making such storage available, in the event that private industry cannot supply it. This bill, however, goes very much further than merely making storage available. In the first place, it is so broadly drafted that the Commodity Credit Corporation, by determining itself that adequate storage facilities are not available in any given area, may then construct, purchase, own, or take an interest in new storage facilities. There is no limitation whatever on the amount of money that they can spend for that purpose. In fact, all the resources of the Commodity Credit Corporation are available for storage if the directors of the Commodity Credit Corporation so wish to apply them.

In the second place, Mr. Speaker, the Commodity Credit Corporation is no longer a corporate entity. It has become under this bill a dummy for the Secretary of Agriculture. It used to have a Board of Management. Under this bill the Secretary of Agriculture appoints every one of the Directors, and the Directors have to operate under him as chairman subject to his general supervision and direction. In other words, he not only appoints every member of the board, but they have to operate under his supervision and direction. You might just as well have a single-man show running the whole thing and controlling well over four billions of dollars without any check whatsoever as to how the money is spent, except the

statutory check, which is an extremely broad one.

I am hopeful that when this bill comes up for amendment, that an amendment will be offered which will make it very clear that the Commodity Credit Corporation is not going to go into the business of building storage facilities in competition with private industry in a given area or in an area where they may claim they have to have new cold storage or other facilities to take care of perishable goods, when there is plenty of storage available at comparatively short-haul distances away from the area where they feel new storage facilities should be had.

Clearly, every safeguard ought to be put into this bill to keep the Government out of competition with private industry.

The SPEAKER pro tempore. The time of the gentleman from Massachusetts has expired.

Mr. HERTER. Mr. Speaker, I yield myself two additional minutes.

Mr. Speaker, I have yielded myself this extra time because I want to get one question cleared up, if I might.

I am wondering if I could have the attention of the chairman of the committee for a question.

I notice that in this bill there is language on page 2 line 18 which allows the Commodity Credit Corporation to create storage facilities within an area concerned. I am particularly interested in connection with wool. For instance, the Boston area and the Atlantic seaboard has for a hundred years or more been the greatest storage for the wool industry. I have talked to my woolen friends who are producers from the West, and they tell me they have no desire or intention of having storage facilities anywhere but on the Atlantic coast and that they would attempt to maintain the historic markets for wool as they have in the past. However, this bill would allow the Commodity Credit Corporation to take all of that business away, because clearly no one would claim, through the language of this bill, that the Atlantic seaboard is in the area where the wool clip is secured.

I wonder if the gentleman can clear that matter up for me.

Mr. SPENCE. I have a letter from the acting head of the Commodity Credit Corporation which discusses that proposition, and I think his statement will be satisfactory to the gentleman.

Mr. HERTER. Will the gentleman incorporate that in the RECORD?

Mr. SPENCE. I intend to read it to the House and have it incorporated in the RECORD.

Mr. HERTER. That makes it clear that there is no intent to store wool in the West where the clip is sheared?

Mr. SPENCE. There is no attempt at all, where the private facilities in the East are adequate. They say it is historically true that they have been adequate. I would judge from the language of the letter that they do not intend to go into any other section.

The SPEAKER. The time of the gentleman from Massachusetts [Mr. HERTER] has again expired.

Mr. HERTER. Mr. Speaker, I yield myself two additional minutes.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. CASE of South Dakota. Are we to understand from this colloquy and this kind of legislating of a letter written to the chairman of the committee which he may put into the RECORD later, if he secures permission, that the policy of the Commodity Credit Corporation with respect to wool storage is to say that it will only encourage wool storage in the vicinity of Boston? It happens that there are some of these wool growers who have thought it might be desirable to have the wool more largely stored somewhere near where it is produced and have it transformed into wool products there rather than ship it to Boston. They may also prefer to be in a position where they can bargain better as they can if they have local storage.

Mr. HERTER. I just made the inquiry of the chairman as to what the intent of that wording "in an area" means. Obviously at present the wool is shipped to the East because the mills are in the East. To be serviceable the wool has to go through a number of processes.

Mr. CASE of South Dakota. I take it that it is satisfactory to the gentleman from Massachusetts to have the assurance given by the gentleman from Kentucky [Mr. SPENCE] but I cannot say that that will be very enthusiastically received by all the people who grow the wool.

Mr. HERTER. I am awaiting that assurance until I see what that letter is from the Commodity Credit Corporation.

Mr. SPENCE. The letter was written to me in response to an inquiry which the gentleman from Massachusetts [Mr. HERTER], made when we appeared before the Rules Committee. While I think it amply protects the interests of your people in Massachusetts, I do not know that it went into any controversy between the wool interests. I assume if it protects your interest it will protect their interest, because the same principles are involved.

Mr. HERTER. I thank the gentleman.

Mr. NICHOLSON. Mr. Speaker, will the gentleman yield?

Mr. HERTER. I yield.

Mr. NICHOLSON. The mere statement of fact that they do not intend to build a wool-storage house or cold-storage warehouses ought not have any affect on this legislation.

Mr. HERTER. I am hoping that matter will be taken care of by an amendment when the bill is read for amendment.

Mr. NICHOLSON. Well, storage could be built in Idaho. What we do not want is to have the Government do it.

Mr. HERTER. It is competition with the private warehouses we are trying to avoid.

The SPEAKER. The time of the gentleman from Massachusetts has again expired.

Mr. CHRISTOPHER. Mr. Speaker, a point of order.

The SPEAKER. The gentleman will state it.

Mr. CHRISTOPHER. This is a matter that concerns every Member of this

House. It does not make any difference whether he comes from the country or the city or where he comes from. I suggest there is not a quorum present. I will withdraw that suggestion now, however, but when it comes to reading the bill for amendment I want more Members on the floor.

CALL OF THE HOUSE

Mr. CASE of South Dakota. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently no quorum is present.

Mr. GORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 92]

Allen, Ill.	Gavin	Murphy
Anderson, Calif.	Gilmer	Murray, Wis.
Aspinall	Granahan	Norton
Barrett, Pa.	Green	O'Toole
Bentsen	Gwinn	Pfeifer,
Biemiller	Hall,	Joseph L.
Bland	Edwin Arthur	Plumley
Boggs, Del.	Hall,	Powell
Buckley, N. Y.	Leonard W.	Ramsay
Bulwinkle	Hart	Rhodes
Byrne, N. Y.	Hébert	Richards
Canfield	Heller	Rivers
Celler	Hobbs	Rodino
Chudoff	Hoffman, Ill.	Secrest
Clevenger	Horan	Smith, Ohio
Corbett	Javits	Stigler
Coudert	Jennings	Taylor
Cox	Kearns	Thomas, N. J.
Davies, N. Y.	Kelley	Vinson
Douglas	Kilburn	Wadsworth
Engel, Mich.	Kirwan	Whitaker
Engle, Calif.	Lemke	White, Idaho
Fisher	McKinnon	Withrow
Fogarty	Marcantonio	
Fugate	Morton	

The SPEAKER pro tempore (Mr. PRIEST). On this roll call 355 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF REMARKS

Mr. PATTERSON asked and was given permission to extend his remarks in the RECORD and to include a copy of the May issue of the Connecticut Farmer.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. HERTER. Mr. Speaker, I yield 10 minutes to the gentleman from California [Mr. PHILLIPS].

(Mr. PHILLIPS of California asked and was granted permission to revise and extend his remarks.)

(Mr. HORAN (at the request of Mr. PHILLIPS of California) was granted permission to extend his remarks in the Appendix of the RECORD.)

Mr. PHILLIPS of California. Mr. Speaker, I am in favor of granting the rule. I concur in the statement made by the gentleman from Massachusetts [Mr. HERTER] that this bill, while it should have amendments and while there should be full discussion of it, nevertheless should come to the floor for that discussion.

I wish to call the attention of the gentleman from Massachusetts [Mr. HERTER] to page 368 of the Congressional Directory, in reply to his own statement that that provision of the bill before us gives the Secretary of Agriculture the power to appoint the directors of the Commodity

Credit Corporation. I call the attention of the gentleman from Massachusetts to the fact that under the present regulations of the Commodity Credit Corporation that situation very largely exists at the present time. The directors of the Commodity Credit Corporation today are, first, the Secretary of Agriculture; second, the Under Secretary of Agriculture, selected by the Secretary; and third, Mr. Trigg, who is associated with PMA and therefore with the Department of Agriculture; and then two other appointees, one from Tennessee and one from California, who are selected by the Secretary of Agriculture.

I concur with the gentleman from Massachusetts in his feeling that we would do well to retain the present situation, and I would be glad to support an amendment which removed the proposal in H. R. 2632, which makes a dummy board of directors, and with which I do not agree.

Mr. HERTER. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. HERTER. Under the 1948 act, each one of the directors was appointed by the President and confirmed by the Senate. It is quite true that those gentlemen are all concerned with the Department of Agriculture, but they had an independent status as directors of the Commodity Credit Corporation, which they would no longer have.

Mr. PHILLIPS of California. The gentleman's statement is correct. For that reason I would like to see an amendment offered to the bill to return to the condition which exists today.

My desire is to discuss rather briefly two amendments which I intend to offer to the bill when it comes before us for amendment. Both will be offered to page 2 of the bill and both will follow the wording in the printed bill before us.

The first is a clarifying amendment and it is the less important of the two amendments. It is a clarification which comes from a discussion in the other body between several Members of that body when the bill was there.

I quote from page 5067 of the CONGRESSIONAL RECORD for April 25, in which the distinguished Senator from Iowa was about to offer an amendment, and instead stated that he would not offer it because of the discussion and his conviction "that it is not contemplated that the Commodity Credit Corporation will go into the business of lending to private or semiprivate corporations and that it will confine its activities to the purposes of the Commodity Credit Corporation's terms, the support price of commodities and private storage space which will belong to the Government, when storage space in the regular commercial channels or otherwise appears to be inadequate for the purpose of storing commodities."

Further you will find, at page 5068, that the Senator from New Mexico, who was handling the bill, said:

I thank the Senator. I simply wanted to observe that the statement he made was in full accord with what I myself understand the situation to be.

Consequently, I shall offer as a clarifying amendment, what I hope will prove a limitation, and as it was understood in

the other body. The amendment which I will offer will read as follows:

Provided further, That the Corporation shall not acquire storage facilities or make loans to other than grain growers for farm storage until the full extent of the additional farm storage is determined.

That, as I said, is the less important; it is a clarifying amendment. I shall then, immediately following that, offer an amendment to read as follows:

And provided further, To encourage the storage of grain on farms where it can be stored at the lowest cost, the Corporation shall make loans not to exceed 15 cents per bushel of the estimated crop to grain growers needing storage facilities when such grower shall apply to the Corporation for financing, and these loans shall be deducted from the proceeds of the price support loans or purchase agreements made between the Corporation and the growers.

Mr. CASE of South Dakota. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CASE of South Dakota. I have been very much interested in the gentleman's presentation, and particularly in the amendment which he has just read, which he proposes to offer. It seems to me that this amendment is very much in order, and I hope it may prevail. I was wondering, however, if the gentleman would follow the text of the amendment with me just a moment for the purpose of considering the addition of two or three words to clarify it.

Mr. PHILLIPS of California. I shall be very glad to have the gentleman's assistance.

Mr. CASE of South Dakota. After the word "financing," where it reads: "shall apply to the Corporation for financing", I suggest adding the words "the construction or purchase of suitable storage."

In other words, to make it appear that the application for financing should be expressly for the purpose of providing storage.

Mr. PHILLIPS of California. That is correct. The amendment is acceptable to me, and I shall consult the gentleman from South Dakota to see that the wording is correct before I offer the amendment.

I wish now to take a couple of minutes to explain the amendment.

Back under the days of the ever-normal granary the Secretary of Agriculture, then Mr. Wallace, built a great many steel bins. About 1942, they were distributed over the United States, largely in the Iowa corn belt, the Pacific Northwest, from Texas up to the Canadian border. The Government had bought these bins at a low price and the grain growers who received the bins have been paid for the storage of grain. The growers in most instances would have paid for this storage themselves.

The intent of my amendment, very briefly, is to make it possible for the CCC to advance a specific sum of money, about 15 cents per bushel, to the growers who wish to build bins upon their own farms. It is my conviction and I believe it is the conviction of the majority of farm people present that that is where the bins should be built. The purpose further is to deduct that advance money from

the amount eventually paid under the CCC contract. The saving to the Government of the United States would be something between 20 and 25 millions of dollars.

Mr. CHRISTOPHER. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. In just a minute I shall be glad to.

Over the years the loan and price support program has been extended by the Congress to all grains, with the understanding that this grain must be placed in proper storage. All grain growers should be able to take advantage of the price support program on an equal basis, whether by the CCC purchasing low-cost storage or by the farmers purchasing it themselves, or having storage made available to them.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. JENSEN. Does the gentleman feel that 15 cents a bushel is adequate for the Government to lend for storage facilities?

Mr. PHILLIPS of California. I felt it was, because the CCC pays the regular elevators 17.57 cents a bushel for in-and-out expense, for insurance and conditioning, and a year's storage.

Mr. JENSEN. The thing I am thinking about, if the gentleman will yield further, is that by this bill I think we should encourage the farmers to build storage right out on the farms.

Mr. PHILLIPS of California. That is the intent of my amendment.

Mr. JENSEN. And of course you cannot build storage for 15 cents a bushel. I would expect the Government for this purpose to lend up to the full amount.

Mr. PHILLIPS of California. We may continue the discussion when the amendment is actually offered.

Mr. HERTER. Mr. Speaker, I yield the gentleman one additional minute.

Mr. AUGUST H. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. The gentleman has suggested that 15 cents a bushel be deducted. Of course, we have two kinds of program. One is a support-loan program. The other is the purchase program. In the purchase program we can very well see how it would be worked out, but under the loan program is it the gentleman's intention that the grain upon which a loan has been made will be held as additional security for the payment of the cost of the storage facilities?

Mr. PHILLIPS of California. I shall consult the gentleman on that point. The amendment covers both contracts.

The SPEAKER pro tempore. The time of the gentleman from California has again expired.

Mr. LYLE. Mr. Speaker, I yield 5 minutes to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Speaker, I expect to discuss this bill fully after the rule is adopted, if it is adopted. At

this time I want to discuss one phase of it.

The primary purpose of the bill is to give ample storage facilities to the growers of agricultural products. The Commodity Credit Corporation operated under a Delaware charter for a number of years, as a matter of fact, up to last year. Under the Delaware charter the Commodity Credit Corporation was permitted to do many things not permitted under the pending bill. Commodity Credit Corporation could buy or build a warehouse anywhere throughout the country. It could lease land or a warehouse anywhere. Commodity Credit Corporation could buy real estate, and could operate warehouse facilities in their entirety. Last year this was changed when we obtained a new charter.

Primarily the question here is the creation of storage facilities for agricultural products, whether they are in the North, the West, the East, or the South. The Senate bill exempted cotton and tobacco warehouses. I have been fighting for the activities of the Commodity Credit Corporation since 1933. I say that it is wrong to exempt cotton and tobacco warehouses when the grain warehouses of the West are not exempted. It is said there was no need for the grain warehouses of the West last year. A lot of people did not think we need more cotton warehouses today.

Now, the fellow who says we do not need them cannot complain because they will not be built by the Commodity Credit Corporation if they are not needed. I introduced an amendment as follows:

Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate.

Why should we have the Commodity Credit Corporation? It is for the purpose of lending money to the farmers of this country in order to stabilize prices. Then if the private enterprise fellows fail to furnish the facilities the Commodity Credit Corporation can come along and furnish the same. The Commodity Credit Corporation cannot step in if private industry can do it. If we do not need cotton warehouses in any sections of the country, that is good, we certainly will not get them; but if we need them in any isolated section and private enterprise will not build them, the Commodity Credit Corporation has a right to step in there and give the same treatment to all the farmers throughout the country.

You have received letters here recently from the cotton warehousemen, the tobacco warehousemen, and the operators of cold storage facilities.

The Commodity Credit Corporation will not need to invade the field of private enterprise as long as private enterprise will produce the facilities. The Corporation has no right to provide storage facilities for any commodity unless private industry fails to provide such

facilities, and that is what the Brown amendment means.

Let me tell you a story. A cotton council representative came to me, and a warehouse man, representing the cotton interests. They had this kind of an amendment, the same thing we have here, except they did not say who would determine the need for the facilities. Well, I said, "Somebody has got to determine it. You cannot leave it to the church members of your town, or the town council, or the cotton warehousemen; you must leave it to somebody who is familiar with the problem." Who is the proper one? The fellow that furnishes the money, the Commodity Credit Corporation. They agreed that someone had to determine the need for facilities where there were none and that the Commodity Credit Corporation naturally would be the one to make the decision.

Now, the only change we have made here, and the only thing they objected to was where my amendment says, "in that area." They did not know exactly what that meant. Well, that means the trade area in that particular part of the community.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. LYLE. Mr. Speaker, I yield the gentleman five additional minutes.

Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Texas.

Mr. LYLE. Is it not also true in connection with the gentleman's discussion here that not only will they not compete with private industry, but that they will cooperate with private industry to extend their facilities? I made considerable investigation along that line. As I understand, it will be the purpose of the Secretary of Agriculture and the President of the corporation to cooperate with private industry if they want to extend their facilities rather than to build competing facilities.

Mr. BROWN of Georgia. That is true.

Mr. LYLE. And perhaps the question of the Government building additional facilities will never occur if private industry cooperates and the farmers and various other agencies in the local areas will cooperate with them, to build adequate storage. As a matter of fact in my area, and further down in Texas this year—this is a shocking thing—we will probably raise a million bales of cotton and we have storage facilities for perhaps half of that.

Mr. BROWN of Georgia. The only thing that I cannot understand is why these fellows are afraid of the Commodity Credit Corporation building more cotton warehouses or tobacco warehouses. They have had the right since 1934 until last year to build them. Under my amendment I spell out what they can do and what they cannot do. If we need facilities for cotton or tobacco and private enterprise does not furnish them, then the very agency that furnishes the money, the Commodity Credit Corporation, will go in there and supply the facilities. Is that wrong? We want to help the poor farmer in the vicinity which has no storage. The Commodity Credit

Corporation does not want to do anything but furnish the money to stabilize the prices of all agricultural commodities. How can they stabilize the price for the farmer who does not have the facilities? All through the years our cotton warehousemen, grain warehousemen, the tobacco warehousemen and all the rest of them have been satisfied with the treatment of the CCC until last year when the policy was changed. Up until 1948 CCC had the right to furnish warehouse facilities where private capital and private enterprise failed to do it, and certainly they have not built any for cotton or tobacco and cannot do so under the pending bill where private enterprise will do the job.

I have written to several people in my district, in reply to letters asking what my amendment means—and similar inquiries have been received by many of the Congressmen—and explained the situation to every one of them. Their replies were, "You are exactly right and your amendment treats all commodities in the same way and protects private enterprise as long as it will do the job of furnishing warehouse facilities." How can we be justified in excluding cotton warehouses and tobacco warehouses and say we must have warehouses for grain only? We may need more cotton warehouses next year or the year afterward like the grain growers of the West needed them last year, and if private enterprise does not furnish the facilities, CCC should do it.

I am surprised that anybody would object to such a fair statement as this.

Everybody was satisfied with what the CCC did under the Delaware charter. The Corporation had more authority under this charter than it has under the pending bill. You gentlemen on the left side of the aisle did not think you would need more warehouses last year but you did. Next year we may need more for cotton, tobacco, and other commodities. The CCC will not furnish any facilities unless we need them. If we should need them why not give CCC this power?

I have been one of the leading advocates of the Commodity Credit Corporation since 1933. The prime purpose of the CCC is to stabilize the prices of all farm commodities, and it is not an agency to help the warehousemen but at the same time the warehousemen have been helped more than any other group. Suppose we did not have the CCC. The cotton warehouses, tobacco warehouses, and all other warehouses would be practically empty. I am for free enterprise and I am against warehouses being furnished by the Government as long as free enterprise will supply the need, but I resent the fact that a few warehousemen are trying to defeat this bill when its purpose is not only to help the commodity growers but at the same time protect the warehouses in the vicinities where they are in position to store the agricultural products.

This is a fair bill, and I hope not a single one within the sound of my voice will vote against this bill, the purpose of which is to prevent an evil such as we have today.

Mr. JENSEN. Mr. Speaker, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Iowa.

Mr. JENSEN. Why was it necessary in this bill, in the gentleman's opinion, to change the administrative set-up as this bill provides? What has been wrong with the present administration under the law as we now have it?

Mr. BROWN of Georgia. I have confined my argument principally to the facilities for storing all farm products everywhere. I have devoted my entire study to the merits of the ample storage facilities provision of this bill. As to the administration, the Commodity Credit Corporation and the Department of Agriculture are the people who should operate and run the Commodity Credit Corporation. They are the people who know best about agriculture, they are the people who know about the worth of each commodity. I think the responsibility ought to be on the Department of Agriculture and not on the President of the United States, because the Secretary of Agriculture is clothed with that responsibility and if he makes a mistake it is easy to get rid of him. I think that is where it ought to be.

I am in favor of giving the same treatment and the same law to all storable agricultural products. No other course is tenable or justified. One year there might be a shortage of warehouses for one commodity and the next year a shortage for others. If this bill is adopted as written, the CCC cannot erect or own any storage facilities for any commodity as long as free enterprise will supply the facilities. No honest man can object to such a policy.

Mr. LYLE. Mr. Speaker, I move the previous question.

The previous question was ordered.

The resolution was agreed to.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent in connection with the remarks I shall make on the bill that the clerk be permitted to read two letters which I desire incorporated in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H. R. 2682, with Mr. GORE in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. SPENCE. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, the Commodity Credit Corporation is certainly entitled to the gratitude of the agricultural interests of our Nation because of the splendid serv-

ice it has rendered to them through the years.

We all know the farmer is in an occupation full of hazards. "As ye sow, so shall ye reap," does not apply to the agricultural industry. The farmer is dependent upon the vicissitudes of seasons and pests. He does not know what he will reap when he plants, and he has no means of knowing what he can obtain for his product. The Commodity Credit Corporation, in its price support operations, gives the farmer some assurance that he will receive a reasonable price for his product. That is not only important to him, it is important to the dwellers in the city. It is important to them that the earth yield the food upon which they are dependent. So there ought to be no controversy between the agricultural interests and the industrial interests as to the support that should be given to the Commodity Credit Corporation. Without this assurance to the farmer, he might not plant to the extent that is necessary to feed the people.

I have always believed that a high price for agricultural products and a high wage for industrial workers go together, and that prosperity, when it comes, is general to all our people. We have never seen the country prosperous when the cities are in depression and we have never seen the cities prosperous when the country was depressed. So there should be a common interest in the welfare of the Commodity Credit Corporation. It was organized in 1933 under the laws of the State of Delaware, which is notorious for the granting of broad powers to corporations. They granted to this corporation powers as broad as could be given to any corporation. It continued under that charter until 1948 when the Government Corporations Control Act required this corporation to be incorporated under Federal law. It was incorporated under Federal law and its powers were so diminished that the Secretary of Agriculture and his general counsel said that they could not perform the functions of support price which they were charged with by law. Under that Act they were given the power to continue leases on land that had already been leased. They were not given power to purchase other property. They were not given power to lease other property. Therefore, when the bumper crops of the West came in, they did not have authority to afford storage on the farms or elsewhere necessary to carry out their support price program. They could continue the leases which were in existence and they could have maintained the storage bins on the farms where they had been constructed. But, in support-price operations it is necessary to create these storage facilities on the farms where the bumper crops are or in that vicinity, and the bins that you have one year may not be useful in the support-price operations of the next year. It is necessary not alone to continue the leases you have, but to make other leases, and to purchase property, to secure the necessary storage for this support-price program which is so necessary to the farmers. They did not have that power, and a

great deal of talk has been heard about selling bins where the bins were no longer useful and where the leases had expired, and that the only thing they had to do was to sell these bins to the farmers which would ultimately be used for the purposes for which they had been created. They could not construct bins on the farmers' land, unless they had the power either to lease or purchase, because when anyone constructs a building of any kind on your land without lease or without a purchase agreement, it belongs to you. That is the position in which the Commodity Credit Corporation found itself. The President has been criticized for the statements he made during the campaign. The statements were made because there was not sufficient storage to support the price, and they had no power to create such storage. I think an investigation of their powers will thoroughly justify the statements made by the President. The Secretary of Agriculture said they did not have the power. His general counsel says he did not have the power. A careful scrutiny of the powers granted under the act of 1948 will show that he did not have that power. Now, let us not make that mistake again.

I am in favor of maintaining private enterprise in its full integrity. I do not believe the Government ought ever to invade private enterprise where private enterprise can do the job. But in your jealousy of the protection of private enterprise, let us not make that mistake again and take away from this Corporation the necessary powers for the protection of the farmers' interests.

There are a great many amendments that are proposed, all to protect private interests. We eliminated from the Senate bill the exclusion of cotton and tobacco. All of my farmers are dependent on tobacco. It is their cash crop. I was perfectly willing that that provision be eliminated from the House bill because I remember the fight that has gone on here between oleomargarine and butter, and I do not want to encourage controversies between different agricultural interests. I think we must meet in cooperation. To exclude certain crops from the operation of this act would be unwise. I hold no brief for the Commodity Credit Corporation except what they have demonstrated before our committee. There was no testimony that they had at any time invaded the field of private enterprise. The testimony was that they had been scrupulous in keeping out of competition with privately owned storage warehouses, and had never constructed any except where they were absolutely essential for the purposes of the Corporation.

I think we can reasonably judge the future by the past and I think all of this apprehension that they will invade private enterprise has no foundation whatever. I hope that because of that feeling, some of the Members who have special interests in their own communities, will not attempt to weaken this bill so that it may again fail to function as it should, to protect the essential interests of the farmers of our country, upon whom we are dependent for our food and for

our prosperity, and for the future economy of the Nation.

Several questions were asked before the Rules Committee about whether or not this Corporation could aid cooperatives or aid private enterprise in the construction of the necessary storage facilities.

The CHAIRMAN. The time of the gentleman from Kentucky [Mr. SPENCE] has expired.

Mr. SPENCE. Mr. Chairman, I yield myself three additional minutes.

My answer to the committee was that they can do so, but in order to corroborate that I wrote to the Secretary of Agriculture and asked him whether he felt he had that power. I have a letter which I expect the Clerk to read to you, in which he says, through the acting president of the Corporation, that the Commodity Credit Corporation has the power to join with cooperatives and to join with private enterprise, in order to acquire sufficient storage facilities to meet the needs of the Corporation.

I have no doubt that they will do that, and it would be a reasonable and sensible thing to do, because it would save the Government money and it would encourage private enterprise which we all desire to encourage.

I am not going to take any further time. I feel confident that there is going to be no substantial opposition to this bill. I feel confident that not only the Representatives from the country but the Representatives from the cities will vote for it because I think they have a substantial interest in it. Part of my district is highly industrialized, but also in my district I have seven counties just as agricultural as any in the United States. I have never seen any conflict of interest between the people who reside in the cities and those who reside in the country. They have a common interest in the prosperity of agriculture.

I hope you will vote for this bill and vote for it practically as it has been reported by the committee which gives us the assurance that it can perform the function which was created to perform.

Mr. Chairman, I ask unanimous consent that the Clerk may read the two letters to which I referred.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

The Clerk read as follows:

DEPARTMENT OF AGRICULTURE,
COMMODITY CREDIT CORPORATION,
Washington, D. C., May 10, 1949.
Hon. BRENT SPENCE,
Chairman, Committee on Banking and
Currency, House of Representatives,
Washington, D. C.

DEAR MR. SPENCE: My attention has been called to statements that warehousemen operating wool storage facilities in the Boston area are concerned over whether, if the proposed amendments to the Commodity Credit Corporation Charter Act are adopted by the Congress, the Commodity Credit Corporation will engage in the acquisition or construction of additional wool storage facilities in the West. So far as we are able to foresee, the operations of the Corporation, any fears that Commodity Credit Corporation would engage in the construction of wool storage warehousing in the producing areas, thus depriving the Boston area of its accustomed function of providing storage for a large

portion of the annual wool clip, are entirely groundless.

The proposed amendments require that Commodity Credit Corporation determine that existing privately owned storage facilities in the area concerned are not adequate before it can engage in any operation designed to provide adequate storage facilities for any commodity subject to one of its price-support programs. Due to the large marketing of wool in Boston, a considerable quantity of the annual wool clip is normally stored in the Boston area rather than being stored in the producing areas in the West. It is understood that there are ample wool storage facilities now in the Boston area. The only reason Commodity Credit Corporation would have to engage in wool storage operations would, therefore, be because increased wool storage facilities in the producing areas should become necessary in order effectively to extend price support to the producers. In view of the historic marketing pattern of the wool industry, we do not believe that the Corporation will be faced with any such necessity.

As the Department testified before your committee, Commodity Credit Corporation has no desire to enter the warehousing and storage field to any greater extent than that required to make effective its programs for agricultural commodities and will in the future, as it has in the past, continue to look to the private trade to furnish storage and warehouse facilities to the full extent that it can fulfill these demands. In this connection, we desire to point out that Commodity Credit Corporation was recently offered the use of surplus Army facilities in the Boston area for the storage of wool. In view of the ample storage facilities for wool now existing in the Boston area, the Corporation did not take advantage of these facilities and desires to continue to use to the maximum extent practicable private trade facilities. However, should the necessity for providing facilities arise, the Corporation should not be powerless to act.

Sincerely yours,

FRANK K. WOOLLEY,
Acting President.

UNITED STATES DEPARTMENT
OF AGRICULTURE,
PRODUCTION AND MARKETING
ADMINISTRATION,
COMMODITY CREDIT CORPORATION,
Washington, D. C., May 10, 1949.
HON. BRENT SPENCE,
Chairman, Committee on Banking and
Currency, House of Representatives,
Washington, D. C.

DEAR MR. SPENCE: This is in reply to your inquiry as to whether the Commodity Credit Corporation would have the authority under its charter, as proposed to be amended by the bill H. R. 2682, reported by the Banking and Currency Committee, to assist through loans and other means, cooperatives and other private concerns in providing needed facilities for the storage of commodities owned or controlled by the Corporation.

In our view, Commodity Credit Corporation, under its charter as proposed to be amended, would have authority to provide such assistance to cooperatives and other private concerns. We wish to point out, however, that under the provisions contained in H. R. 2682 the Corporation could not make construction loans in order to provide storage facilities for any commodity unless the Corporation first determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate. Moreover, the Corporation is under a duty, to the maximum extent practical consistent with the fulfillment of the Corporation's purpose and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and the arrangements of the trade and commerce in the warehousing of commodities.

The authority to assist cooperatives and other private concerns by loans or other means would, so far as practicable, be used to supplement financing provided by existing agencies, Government or private. For example, financing would be provided by Commodity Credit Corporation to cooperatives when the total financing required exceeded that which could be provided by the banks for cooperatives under the authority available to such banks and would in no way duplicate the functions of such banks. The same principle would be followed in providing financing to private concerns in cooperation with other existing financing agencies, either Government or private. Commodity Credit Corporation could also enter into guaranty arrangements for the purpose of making loans available through existing financing agencies.

The Corporation also intends utilizing existing lending agencies to the fullest practicable extent in making loans available to farmers to provide necessary storage facilities.

Sincerely yours,

FRANK K. WOOLLEY,
Acting President.

Mr. SPENCE. Mr. Chairman, those letters are signed by Mr. Frank K. Woolley, President of the Commodity Credit Corporation. The Secretary of Agriculture was out of town, but he was consulted by long-distance telephone and has agreed to the statements made in both letters.

Mr. WOLCOTT. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, some provision ought to be included in this bill, in line with the suggestion made by the gentleman from California, to provide storage on the farm. That is the best place to have it. Storage on the farm will pay for those buildings because when a farmer makes a loan on his grain up to the amount permitted by law, he is given an extra 7 cents a bushel for storage. These buildings can be bought and paid for with this storage money. If you put your grain in one of the terminals of the country, or any warehouse, during the 12 months, it will cost you 17 cents a bushel to own that grain. When you can do this for 7 cents a bushel it looks like a good business proposition. I would not want to see the amendment limited to building farm storage out of steel, because steel has not come down. Steel is three times as high as it was when we built these buildings in the first place.

On the other hand, lumber has gone down perceptibly in the last 4 or 5 months. I know in my town of Williston they had an area half a mile square where every available space was occupied by grain storage bins, and all of those bins were full for 2 or 3 years. When they got through and did not need the bins any more, they were not useless. If they had been steel bins you could not have used them for anything else. But there in that same area of half a mile square the veterans of World War II went to work and every one of those places has been made into a residence at a time when you could not get lumber anywhere. It was a great boon for the returning soldiers of the country.

Therefore I would like to see an amendment put in this bill providing that the Commodity Credit Corporation may extend credit to the farmers out in

the country to build storage facilities on their own farms.

Mr. GAMBLE. Mr. Chairman, I yield 15 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, I want to address my remarks to the facts which have come to light in the hearing on this bill and in the hearings which were conducted by our committee a year ago and to the facts which were presented to the country last November by the President and Secretary of Agriculture in connection with the facilities for storage of grain throughout the country.

The facts are as follows: First, the carry-over and production at the beginning of the marketing year of 1942 for corn, oats, wheat, rye, and barley total 187,300,000 tons, whereas, the comparable figure for 1948 is 186,400,000 tons or approximately 1,000,000 tons less than in 1942; second, the Department does not have any adequate information by which present storage capacity can be compared with the 1940 capacity. Furthermore, the Kansas report is the only comprehensive study made since 1943 and it shows a substantial increase in storage facilities in that area. It is also interesting to note that on September 1, 1948, in an information memorandum issued by the Assistant Administrator for Production to State PM chairmen, the following statement is made:

In the winter-wheat States the small-grain storage situation has eased up enough that the grain storage and transportation reports from the counties have been discontinued.

It is also interesting to note that the grain storage and transportation reports last year were received weekly from all the winter-wheat States, Texas, Oklahoma, Kansas, and Colorado, whereas, this did not warrant the collection of this weekly information except from the State of Colorado; and, third, the CCC, in my opinion, is not prohibited from furnishing storage bins to farmers.

It would appear that the activities of the Department stressing the grain storage situation laid the ground work for the President's charge at Dexter. In that speech he said:

And they brought into power a Republican Congress—the notorious “do nothing” Republican Eightieth Congress.

Let us look at the results of that change. This Republican Congress has already stuck a pitchfork in the farmer's back.

They have already done their best to keep price supports from working. Many growers have sold wheat this summer at less than the support price, because they could not find proper storage.

When the Democratic administration had to face this problem in the past, the Government set up grain bins all over the Wheat and Corn Belts to provide storage.

BINS NEEDED AGAIN

Now the farmers need such bins again. But when the Republican Congress rewrote the charter of the Commodity Credit Corporation this year, there were certain lobbyists in Washington representing the speculative grain trade.

These big-business lobbyists and speculators persuaded the Congress not to provide storage bins for the farmers. They tied the hands of the administration. They are preventing us from setting up the storage bins that you will need in order to get the support price for your grain.

Now, what are the facts?

First. During the wheat marketing season of 1948 there was much unused commercial grain storage capacity but because of the manner in which the wheat price support program was developed and administered by the Secretary of Agriculture, farmers were unable to utilize this unused storage capacity.

Second. The failure of the Secretary of Agriculture to use available authority and put into effect an adequate wheat price support purchase program caused farmers to suffer losses running into hundreds of thousands of dollars.

Either of the propositions mentioned above would have prevented the losses which have been incurred by farmers in selling wheat below the support level and show that the losses were, in fact, caused by improper administration of the price support authority.

I shall discuss each of the two points:

In 1948 storage capacity was available but because of the manner in which the support-price program has been administered farmers were not able to utilize it.

The following table shows the percentage of rated commercial grain storage capacity filled on October 2, 1948:

Region:	Percent of capacity filled
Atlantic Coast ports-----	31.5
Gulf Coast ports-----	46.3
Northwestern region-----	58.5
Lover Lake region-----	38.9
East Central region-----	54.7
West Central region-----	89.9
Pacific Coast region-----	73.3

It is clear from the foregoing that there are large quantities of unused grain storage capacity available.

Why did farmers sell wheat below the support level with this storage capacity available? The reason why this grain storage capacity remained unused is because of the manner in which the Department set up and administered the wheat price-support program. The rate of price support at the farms for wheat has been set up in reverse. Instead of adopting a policy of arriving at a support level at the farm or on a county basis and then working from the farm to the terminals, the support level was set up on a terminal basis and then worked backward from the terminal to get a farm-support price, which is the support price at the nearest terminal point less the cost of transportation and handling. Thus, when local storage was not available farmers could not move wheat beyond the terminal for storage and still obtain the same rate of price support. This caused the facilities at Kansas City and adjacent southwestern points to become filled with stored wheat and because of the unrealistic relationship between terminal price-support levels the wheat could not move out of Kansas City to easterly storage points where storage was available. When it became apparent that there would be congestion in Kansas and the southwest area the Department should have made readjustments in the terminal loan rates to reflect transportation costs to other terminals, thereby enabling producers to take advantage of storage capacity east

of Kansas City. No move was made by the Secretary of Agriculture to relieve this situation, consequently, farmers experienced the anomalous situation of being compelled to sell wheat below the support level when unused storage capacity was available at points east of Kansas City. This situation can easily be illustrated by comparison of the loan rate at Kansas City with the loan rate at Chicago. The loan rate at Kansas City was \$2.24 as compared with \$2.29 at Chicago which is insufficient to permit wheat to move on to Chicago for storage.

If the Secretary of Agriculture in administering the wheat price-support program had established loan rates at the terminals which would have permitted the grain to move into available storage there would have been no "distress" wheat to have been sold below support levels. Poor administration of the price-support program is the thing that actually caused farmers to have "distress" wheat which had to be sold below the support levels.

My second point is that the failure of the Secretary of Agriculture to use available authority and put into effect an adequate wheat price support purchase program caused farmers to suffer losses running into hundreds of thousands of dollars.

The Secretary of Agriculture put into effect two programs for carrying out the 1948 wheat price support obligation. The first was a loan program and the second was a purchase agreement program. Under the loan program a farmer, if he could find approved storage, might obtain a nonrecourse loan which matures on April 30, 1949. Under the purchase program the farmer is given the privilege of selling the wheat to the CCC within a period of 30 days after April 30, 1949.

Neither of these programs is adequate unless a farmer is able to find approved storage between his farm and the terminal market upon which the support rate is based. If a farmer is unable to obtain approved storage, he has no practical alternative except to sell his wheat at whatever price he can get—which during the marketing season of 1948 was generally something below the support level.

Farmers sold millions of bushels below the support level and consequently it is estimated that they have lost hundreds of thousands of dollars. The largest purchaser of wheat during this period was the Department of Agriculture. From July 1 to September 28 the Department purchased for the Grain Export Program 121,000,000 bushels of wheat and another 13,700,000 bushels of wheat in the form of flour or a total of 134,700,000 bushels.

Thus we have the illogical situation in which the Department of Agriculture, the very agency directed and empowered to put into effect price-support programs so that farmers will receive at least the support price for their products, is the largest purchaser at prices less than the support levels.

What is the explanation of this incongruous situation? Secretary Brannan has attempted to make farmers and others believe that the Department is

required to purchase wheat below the support levels when procuring wheat for the grain-export program because of a provision in the ECA Act which requires commodities to be purchased at market levels. But why is the market level for wheat below the support level? The simple answer is that Secretary Brannan failed to exercise the powers provided and failed to put into effect an adequate wheat price-support program. Therefore, the Department was buying wheat at prices below the support levels solely because of the failure of the Secretary of Agriculture to administer properly the powers he has to carry out wheat price-support programs.

There can be no doubt that the Secretary has authority to support the price of wheat through purchases. The Charter of the Commodity Credit Corporation specifically authorizes support through purchases and the Secretary of Agriculture has, in fact, exercised this power to set up an inadequate wheat-purchase program. It was inadequate because it did not provide for purchases until April 30, 1949—the maturity date of the loan programs—when the need for such purchases was at the beginning of the marketing season.

How does the Secretary of Agriculture justify his failure to provide an adequate purchase program and to prevent the price from breaking below support levels? In my opinion there is no adequate explanation. The fact that he has authority to conduct current purchase programs is also illustrated by the flax price-support program. Under that program the Department of Agriculture bought all flax offered by farmers at the support level. The Department also has other purchase programs in which it purchases commodities at the support level throughout the marketing season to assure farmers of receiving prices equivalent to the support level.

It would appear that the Secretary of Agriculture is guilty either of playing politics with the wheat price-support program or ineptness in administration. In either event, whether it is politics or ineptness, it has proved very costly to the wheat farmers of the Nation. The principle benefactors are the ECA countries who, in effect, have been subsidized at the expense of the farmers to the extent of the difference between the market price and the support level. The American consumer has not received any benefit because the price of bread is still as high as it was when the price of wheat was 50 percent above the support level.

Mr. Chairman, in this bill before us today, we have the question of determining whether or not the Commodity Credit Corporation may or may not erect, construct or otherwise acquire facilities for storage of grain. It has been said on the one side that if the Commodity Credit Corporation does have the power to construct or acquire facilities they will use it in such a way as to not compete with private enterprise. I am hopeful that is true. We believe, however, if the CCC is vested with such authority and such power there is a possibility that, in the heat of a political campaign—whether that political campaign be for votes

or for the purpose of securing a particular method under which the administration shall operate—that for some reason or other the administration will determine that in certain communities, private facilities are not available and therefore Government facilities must be built.

So, Mr. Chairman, as we approach the final debate and vote on this bill, I hope the committee will take into consideration the past actions of the administration and the past actions of the Secretary of Agriculture and determine whether or not you believe this power should be granted them.

(Mr. COLE of Kansas asked and was given permission to revise and extend his remarks.)

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. KUNKEL. Is it not true that during the summer of 1948 the Commodity Credit Corporation was actually selling storage bins?

Mr. COLE of Kansas. Yes. That is true.

Mr. KUNKEL. At a time when they were complaining and advertising that there was a shortage, they were actually selling existing storage which was at their disposal?

Mr. COLE of Kansas. That is right, and the interesting thing about it is that as soon as it was called to the attention of the Department of Agriculture the sale of those facilities began to slough off and stop, and practically stopped entirely.

Mr. KUNKEL. This policy which you have outlined, of adjusting the prices at interior markets and markets near where the grains are being marketed, then had the result of causing an overflow in one section of the grain storage facilities, but left a lot of open space which could have been used if the management had been proper, to avoid all the trouble.

Mr. COLE of Kansas. I do not think there is any question about it. The Governor of Kansas came here just the other day to plead with the Commodity Credit Corporation to remove from Kansas City the wheat storage that is there now—move it out into the unused storage sections of the country, so that when the wheat comes into Kansas City there would be room for it.

Mr. KUNKEL. No matter how much storage you buy, unless it were located right in this one particular area, a policy such as this would have caused the situation about which so much complaint has been made?

Mr. COLE of Kansas. It not only would have caused it, but it did cause it and it could cause it again in the future.

Mr. KUNKEL. There was adequate storage or more than adequate storage at the time if the administration had handled it properly, and the inefficient way in which they did handle it was so absurd that it would indicate it was almost intentional rather than accidental.

Mr. COLE of Kansas. I would say definitely so.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. GAMBLE. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. HOPE. As I recall it, the charge which the President made in connection with the legislation passed by the Eightieth Congress was that it prevented the Federal Government from furnishing the farmers storage for their grain. I just want to ask the gentleman if at any time in the past, under any legislation, has the Federal Government ever furnished the farmers storage for their grain, while still owned by the farmers?

Mr. COLE of Kansas. No. It is my understanding that it did not.

Mr. HOPE. Is there anything in the act which was passed in the Eightieth Congress which would have prevented the Government from furnishing the farmers storage for their grain had the Government desired to do so?

Mr. COLE of Kansas. I am positive that definitely there was not.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. GROSS. This complaint was made in the campaign. Did the President issue any complaint that was heard by the people of the country when the bill came to him for his signature?

Mr. COLE of Kansas. No. Neither the President nor any Member on the Democratic side made any complaint about the bill at that time. The President signed it. Everybody was satisfied with it. It was finally determined that here was a political issue which they might develop, and so they did.

Mr. CHRISTOPHER. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. Yes, I yield.

Mr. CHRISTOPHER. You said that nobody objected to the bill when it was being passed.

Mr. COLE of Kansas. No. The gentleman misquotes me. Well, go ahead.

Mr. CHRISTOPHER. This was a statement during the Eightieth Congress:

There are two very serious defects in the bill as it now stands. One of them is that the bill prohibits the Corporation from acquiring or leasing any plant or facility for warehousing, transporting, processing, or handling of agricultural commodities, or from acquiring or leasing real property or an interest therein, except rental-office space. These provisions are severely restricting the operations of the Commodity Credit Corporation and would, in my opinion, make it very difficult for the agency to carry out the duties imposed on it by law.

Mr. COLE of Kansas. The gentleman is quoting the chairman of the Agricultural Committee the gentleman from Kansas [Mr. HOPE], a Republican.

Mr. CHRISTOPHER. That was the chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE].

Mr. COLE of Kansas. Yes. I recall that was said on the floor.

Mr. CHRISTOPHER. And that was surely an objection to the bill that was passed by the Eightieth Congress.

Mr. COLE of Kansas. Yes, I understand. I stand corrected if I said "no objection was made." I say to the gentleman, however, that the bill was passed in the House and was passed in the Senate without any serious objection, and perhaps I should underscore the word "serious." I do stand corrected on that one proposition.

Mr. CHRISTOPHER. I think that objection was a very serious one; it would be to me.

Mr. COLE of Kansas. The gentleman from Missouri was not here.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. HOPE. Inasmuch as reference has been made to a statement which I made on the floor of the House, I wish to say to the gentleman that I still stand by that statement. It had no connection whatever with anything that has been said by me or has no connection whatever with any statement made by the President. I said at that time that I thought there should not be a limitation upon the ability of the Commodity Credit Corporation to acquire storage; but the statement that was made by the President at Dexter, Iowa, was that the bill prevented the Government from furnishing farmers that storage which, of course, they never had had, which they had never had in the past and which was prohibited or prevented by this bill.

My position right now is the same as it was last year. As far as the limitation upon the acquisition of storage by the Commodity Credit Corporation is concerned I think the provisions in the bill as reported by the committee are all right; I believe the Commodity Credit Corporation should have the authority to acquire storage where needed, but I think there should be some determination that it is needed before the Corporation should be given that authority.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. KUNKEL. In the present law, section 5 (b), the specific power section expressly authorizes the Commodity Credit Corporation to "make available materials and facilities required in connection with the production and marketing of agricultural commodities."

That broad and specific power clearly includes the furnishing of grain storage bins, since they are essential to the orderly marketing of agricultural products. I have never heard of any opinion of anybody in the legal department of the Department of Agriculture who contended that the Commodity Credit Corporation did not have that power; the statements and the arguments that they did not seem to be without any backing from the legal department involved and the one which should have advised them properly on this subject.

Mr. COLE of Kansas. I am very certain this bill would never have been reported, never have been introduced or reported by the Committee on Banking and Currency or considered by this House if the President of the United States and the Secretary of Agriculture had not

gone before the country last November and made the statements which they did. This bill is presented here solely for the purpose, in my judgment, to pull them out of the hole in which they find themselves.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. SPENCE. Is it not a fact that the reason the storage bins were sold was because the leases had expired? They were sold on the farm. They had to be disposed of because the Government could not move them anywhere else because they had no power to acquire real estate for the purpose of relocating the bins where they might be needed elsewhere. Is not that the real reason the bins were sold?

Mr. COLE of Kansas. The Department of Agriculture has made statements that was the reason, but—

Mr. WOLCOTT. Mr. Chairman, will the gentleman yield?

Mr. COLE of Kansas. I yield.

Mr. WOLCOTT. I believe the chairman will remember that there was specific language in the bill which we passed last year, I believe, authorizing the releasing of property that was then under lease.

Mr. SPENCE. That was so the bins could remain on the land where the renewal of the lease might be made, but that was not where they were needed.

Mr. CHRISTOPHER. They were given specific authority to re-lease.

Mr. SPENCE. They had no power to relocate the bins, because they had no right to lease or acquire real estate.

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. SPENCE. Mr. Chairman, I yield 5 minutes to the gentleman from California [Mr. WHITE].

Mr. WHITE of California. Mr. Chairman, in answer to the gentleman from Kansas in regard to just who is or who is not guilty on this storage-for-grain proposition, or the alleged neglect thereof, I wish to point out that all during the grain-harvesting period last year there was a tremendous shortage of cars to move grain. Grain was lying on the ground all over the country. Now, how could the Commodity Credit Corporation buy grain on the ground to support the price? That is why the price broke.

It is only natural that a concern handling as much grain as the Commodity Credit Corporation was forced to handle had to have some place to put it and some means to move it. Certainly, I do not see how any finger of condemnation could be pointed at the Commodity Credit Corporation or the Secretary of Agriculture for a shortage of cars, with wheat lying all over the ground.

So far as bins are concerned, it is perfectly reasonable to assume that there may have been an overage of bins in certain areas and a shortage in other areas. Since there was a shortage of transportation, it is a perfectly plausible thing to assume that the same condition arose which caused the wheat to be lying on the ground.

There are a number of reasons why the wheat market broke, but that lack of

storage is the main one. The farmers could not get loans on their commodity because they had no place to store it. It is true they had storage facilities at the eastern ports and at other places, but there were no cars to move it. In addition to that, we have the statement by officials in the Department of Agriculture that they were asking Members of the Eightieth Congress to provide specific authority for these grain bins so that they could make these loans and alleviate the suffering among the farmers in the Wheat Belt, but no such relief was forthcoming. The Secretary of Agriculture sent several men up here to the Hill, as I got the story, to try to get this relief. I do not see how the Secretary of Agriculture or the Commodity Credit Corporation can be condemned for the low price of wheat when the Eightieth Congress would not provide storage on the farms. That is where the storage was needed.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield to the gentleman from Massachusetts.

Mr. McCORMACK. Apparently last November there were an awful lot of farmers who felt that the Republicans and the Eightieth Congress were to blame, according to the election returns.

Mr. WHITE of California. I think the gentleman is quite right. It seems these gentlemen over on the left are a few months late in bringing this matter up.

Mr. CURTIS. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield to the gentleman from Nebraska.

Mr. CURTIS. Did any Congress prior to the Eightieth Congress provide storage on the farm?

Mr. WHITE of California. No; but that has nothing to do with the request of the Secretary for storage at that time.

Mr. CURTIS. At what time?

Mr. WHITE of California. When he requested it in the fall during the grain-harvesting period in question.

Mr. CURTIS. In the fall.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. I recognize that the gentleman from California is an expert on agriculture and I bow to him. But the grain crop from which we received the big surplus last year that was stored on the ground materialized in the month of June in the State of Kansas and in the Southwest plains area where we had the big winter-wheat crop. The gentleman knows that. In the month of June and even in the month of July we were in session here. The gentleman further knows, with all of his knowledge about agriculture, that when big crops are produced in the Southwest there are no ordinary storage facilities to store that grain and it has been laying on the ground in that dry weather and it has not been damaged. That has happened every year they produce a big crop down there; is that correct?

Mr. WHITE of California. That may be true, but the Government authorities were not called upon to take it on the ground as they were in that instance. If the Government is going to take the grain at the point of origin, you have to have the bins, and the Government asked the Eightieth Congress for them and they were not forthcoming.

Mr. AUGUST H. ANDRESEN. In the year before, 1947, we also had a bumper crop when the grain was stored on the ground when we had a greater shortage of cars than we had last year, so I think the gentleman may be a little far-fetched in his analysis of the responsibility.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. GAMBLE. Mr. Chairman, I yield 10 minutes to the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, there are 200,000 farms in Iowa. The 1940 census showed that there were only 60,000 farm hired hands. Iowa farmers cannot wait until the harvest comes on to provide adequate storage facilities for a bumper crop, and these situations do arise from time to time when our farmers seriously need help. Last fall was one of those times. I followed this situation with great interest because it is of great importance to the farmers of Iowa.

On March 21, 1949, Secretary Brannan, in his general statement to the Committee on Banking and Currency, said as follows:

The size of the 1948 crops just recently harvested and the prospective plantings for 1949 make the problem of inadequate storage increasingly acute, and it is urgently necessary that the Corporation be placed in position to take action to meet the problem as soon as possible.

Then, in answer to Mr. WOLCOTT's question that same day, Mr. Brannan said:

I want the Commodity Credit Corporation to act in the capacity of an instrument for assisting farmers of this country, as it did before the adoption of this amendment. As far as I am concerned, it is not a question of what I want. I am suggesting to you what I think is in the best interests of the American farmers and in the best interests of the trade with which they have to deal. I think if we have adequate storage in this country everybody will be benefited.

Then again he answered:

Mr. WOLCOTT. The issue was whether or not there was adequate storage facilities available in public, private, or any kind of hands, and the transfer from public ownership to private ownership of some grain-storage facilities was of no moment whatsoever. The ultimate point was that here we have an increasing grain crop year after year after year and we have not provided adequately for its storage.

Again, in answer to Mr. TALLE's question, Mr. Brannan expressed the situation, as follows:

We face a storage program today in the light of the immediate circumstances. We still are handling a large wheat production—1,300,000,000 bushels last year. We still have to deal with the corn-production program, which was the highest of all time, about 3,500,000,000 bushels.

In addition to that, there are indications of spring wheat acreage equal to last year's and preliminary indications that we may

have about as much of the other grains planted as in previous years.

Therefore, the need is, first of all, for storage immediately. To answer that, we think small facilities which could be quickly fabricated, and which can be quickly moved into position, provide the best method of meeting that need. It also makes sense, in our opinion, in terms of a long pull. On-the-farm storage and trackside storage facilities in the vicinity where each of the grains will be used, or in such locations that they act as a conduit to carry the grain on to its ultimate point of use, are always advisable.

Second, we think there should probably be a program of storage—trackside, subterminal, country, or by whatever term you would like to define it—where the grain can move in transit to its ultimate destination and probably be handled in one way or another, and selected for feeding, mixing, or many of the other uses. That is typical country elevator type of operation I am talking about.

I do not know whether these will be necessary, myself, but finally we may have to talk in terms of terminal storage. In the latter case and in all cases, I would like to make it clear that I do not think the Federal Government should engage in the ownership and operation of large grain-elevator enterprises. We are a facility for helping farmers to solve their own storage problems.

After that expression of concern by Mr. Brannan on March 21, can you imagine my own surprise at receiving a letter submitted by Mr. Brannan on March 21, the same identical day, to the chairman of the Committee on Ways and Means, objecting to a bill that I introduced, H. R. 1553, providing for a tax incentive for the creation of additional farm storage facilities?

Just to show a bit of Mr. Brannan inconsistency here in blowing both hot and cold, let me read you what Mr. Brannan wrote to Chairman Doughton of the Committee on Ways and Means:

We feel that the emergency which is likely to exist for additional storage facilities during the next 5 years should not be compared with the emergency which existed during the war, when the Government permitted certain types of war plants (including facilities built to process certain foods such as dried milk, dehydrated and compressed vegetables) to be depreciated for income tax purposes within a 5 year period. Most of the war plants so treated were unadapted or poorly adapted for other profitable uses after the war, or were located out of position for economical peacetime uses, and they would not have been built by private capital to meet the war emergency unless such special inducements had been offered. We believe that commercial rates for storage of agricultural products such as grain will be high enough during the next few years, under pressure of the larger supplies anticipated, to encourage new construction of both farmer-owned and commercial storage facilities, and that when properly located they will be profitable ventures, without the 5-year amortization inducements.

We do not believe that it will be necessary or desirable to extend the concessions offered by these bills as inducement to farmers to build farm storage facilities on or near their farms, and we do not believe that these measures would be very effective in increasing this type of construction. Farm storage facilities, in the commonly accepted meaning of the term (farm cribs, bins, barns), normally have relatively short life and rapid rate of depreciation. The average farmer is in a low income tax bracket, and would not find much incentive to build new storage

facilities because of the proposed 5-year depreciation feature.

Even if we could support the main points of these bills, we would not like the retroactive features—extending the amortization benefits to facilities acquired or completed on or after January 1, 1948. Presumably any and all storage facilities built during 1948 were justified by existing requirements and anticipated profits.

These bills would give undue benefits to big grain companies and elevator and warehouse interests which are in high income tax brackets, permitting them to charge off new capital improvements as if they were legitimate business losses, during a time when earnings and profits are almost sure to be high. The average farmer and the small warehousemen in low income tax brackets would receive little or no benefit from these bills.

The real problem facing us is how to bring about a substantial increase in storage facilities on and near farms, with less emphasis on terminal storage. We do not believe that acceleration of depreciation for tax purposes is a proper step to take to bring about increased construction of storage facilities, either by farmers or by commercial interests. There is no assurance that those who would take advantage of the amortization provision would operate the new facilities as public warehousemen. In the past few years farmers in some areas have encountered difficulties in that those who own storage facilities have been unwilling to store grain at times when there were temporary gluts on the market but instead were willing only to buy for their own account at very substantial discounts.

We believe that the Government should take some steps to stimulate immediate expansion of new storage facilities. The amendment proposed in S. 900 and H. R. 2682, bills to amend the Commodity Credit Corporation Charter Act, would enable the Corporation to develop well-rounded and integrated price support and storage programs.

In accordance with the above comments, it is the recommendation of the department that these bills should not be passed.

Mr. Brannan's statements belittle the emergency insofar as it pertains to the encouragement of private construction by the farmer himself and say it is not necessary, and yet his statements made the same day before the Committee on Banking and Currency stress the need for Government construction and Government control of the very same storage facilities.

I am for adequate storage first, last, and always. I have seen enough wastage of good crops out on the farms of Iowa to make me sincerely support legislation providing any expansion of storage facilities, but I do not like to have the Department of Agriculture blow both hot and cold on this matter. They are knocking down my farmers' ears in the way of discouraging them from doing their own construction on their own farms and keeping the grain out there, where I know the farmers want it. If the emergency is what Mr. Brannan said it is in the hearings on this bill, why did he disapprove my proposal to give the farmers the tax encouragement for private construction, ownership, and control of the same storage facilities that my farmers want and need?

To me, adequate storage facilities are the important thing. It should not be reduced to the throwing the whole control over to the Government bureaucracy. I will take the storage facilities furnished

by bureaucracy, but I want the farmers to have some encouragement in the construction of their own storage facilities to meet the emergency that I know exists in many places. All I ask of Mr. Brannan is to remember and read carefully his statement before the Committee on Banking and Currency on March 21 of this year, and then reread his letter dated the same day to the chairman of the Committee on Ways and Means.

Mr. WHITE of California. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield for a question.

Mr. WHITE of California. I should like to make an observation.

Mr. MARTIN of Iowa. I will yield for a question, but if the gentleman has an observation to make, he can make it on his own time. If there are any questions that anyone wants to ask, I will be glad to entertain a question, but not an observation.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. AUGUST H. ANDRESEN. What is the date of that report when Secretary Brannan made his statement?

Mr. MARTIN of Iowa. Does the gentleman mean the report to Mr. DOUGHTON?

Mr. AUGUST H. ANDRESEN. No, the hearings.

Mr. MARTIN of Iowa. The hearings were on March 21, 1949.

Mr. AUGUST H. ANDRESEN. That is when he made his statement.

Mr. MARTIN of Iowa. Yes and the letter to Mr. DOUGHTON is dated March 21, 1949, also.

Mr. AUGUST H. ANDRESEN. I will say to the gentleman that there was no way for the Secretary to determine what the size of the winter wheat crop would be prior to the middle of May. By the middle of June you could pretty well estimate it. You could not determine what the spring wheat crop was going to be until along toward the latter part of July; when it came to corn there was no possible way that anybody could figure out the size of the corn crop until sometime in September. Is that not right?

Mr. MARTIN of Iowa. Yes. I agree with the gentleman. The Secretary is guilty of blowing hot when it concerns the expansion of bureaucratic control, and he blows cold and plays down the same emergency when he is talking about the construction of storage facilities by individual farmers. To me the road we are traveling today is a most dangerous one for our American Government to travel.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MARTIN of Iowa. I yield.

Mr. GROSS. In other words, what the gentleman was trying to do by his bill was to provide more storage and less regimentation, is that correct?

Mr. MARTIN of Iowa. Exactly. I am trying to provide for more storage and less regimentation. I am especially desirous of supplementing the expansion of CCC with the greater building and control of storage facilities by the farmers on the farm and by warehousemen.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

[Mr. PATMAN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WOLCOTT. Mr. Chairman, I yield myself 15 minutes.

Mr. KEEFE. Mr. Chairman, I make a point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. SPENCE. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock-Piling Act, and for other purposes, had come to no resolution thereon.

SPECIAL ORDER TRANSFERRED

Mr. WOLCOTT. Mr. Speaker, the gentleman from New York [Mr. REED] had a special order for 20 minutes today. In his behalf I ask unanimous consent that the special order for this afternoon may be vacated, and that it may be transferred to Thursday, May 12, following the legislative business of the day.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CALENDAR WEDNESDAY BUSINESS

Mr. PRIEST. Mr. Speaker, I ask unanimous consent that business in order on Calendar Wednesday, tomorrow, be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

EXTENSION OF REMARKS

Mr. MITCHELL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. MULTER asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. MARSHALL and Mr. BROOKS asked and were given permission to extend their remarks in the RECORD.

Mr. BENNETT of Florida asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. KARSTEN asked and was given permission to revise and extend the remarks he made in the Committee of the Whole.

CORRECTION OF ROLL CALL

Mr. BREHM. Mr. Speaker, on Roll Call No. 89 I am recorded as voting "nay" when, as a matter of fact, I voted "yea." I ask unanimous consent that the permanent RECORD be corrected accordingly.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. COLE of Kansas asked and was given permission to extend his remarks in the RECORD and include a speech by the Honorable Alf Landon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

To Mr. GILLETTE (at the request of Mr. GRAHAM), for the balance of the week, on account of illness in family.

To Mr. NOLAND, for Wednesday and Thursday, May 11 and 12, on account of official business.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 3932. An act to exempt artificial limbs from duty if imported for personal use and not for sale.

BILLS AND JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mrs. NORTON, from the Committee on House Administration, reported that that committee did on May 9, 1949, present to the President, for his approval, bills and a joint resolution of the House of the following titles:

H. R. 668. An act for relief of Alex Bail;
H. R. 711. An act for relief of Mrs. Margaret Gregg Dilnot;

H. R. 1010. An act for relief of Mrs. May K. Y. Mok, Frederick W. S. Mok, and Vincent W. C. Mok;

H. R. 1029. An act authorizing the Secretary of the Interior to issue a patent in fee to Howard C. Heckenlively;

H. R. 1030. An act authorizing the Secretary of the Interior to issue a patent in fee to Francis Howe;

H. R. 1035. An act for relief of Mrs. Ada M. Ryan;

H. R. 1041. An act for relief of Jeannette and Jesus Esteva and their four children;

H. R. 1052. An act for relief of Lawrence G. McCarthy;

H. R. 1079. An act for relief of Maria Veltri Magnone;

H. R. 1101. An act for relief of Anna Malone and Rita Anderson;

H. R. 1109. An act authorizing the Secretary of the Interior to issue a patent in fee to Phena M. Anderson;

H. R. 1281. An act authorizing the Secretary of the Interior to issue a patent in fee to Leslie Paul Schroeder;

H. R. 1460. An act for relief of Mrs. Silvia Mapelli;

H. R. 1467. An act for relief of Thomas O. Troth;

H. R. 1468. An act for relief of Mrs. Anna Smolowitz and Mrs. Sylvia D'Arpe;

H. R. 1489. An act for relief of James I. Matthews;

H. R. 1508. An act for relief of Peter Drozd;

H. R. 1591. An act for relief of Bram B. Tellekamp;

H. R. 1629. An act for relief of Kira and Nina Grigorleff;

H. R. 1876. An act for relief of Ralph Martin Elzingre, also known as Ralph Seawell;

H. R. 1983. An act for relief of Edward L. Barreras;

H. R. 2231. An act for relief of Marie E. Wright;

H. R. 2605. An act for relief of John C. Nunes;

H. R. 2710. An act for relief of Emma Armstrong;

H. R. 2935. An act for relief of Mrs. Benjamin Betts; and

H. J. Res. 91. Joint resolution to authorize the cancellation and release of an agreement dated December 31, 1923, entered into between the port of Seattle and the United States of America, represented by the United States Shipping Board acting through the United States Shipping Board Emergency Fleet Corporation.

ADJOURNMENT

Mr. PRIEST. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly at (4 o'clock and 52 minutes p. m.), the House adjourned until tomorrow, Wednesday, May 11, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

605. A letter from the Acting Secretary of Defense, transmitting a proposed bill entitled "A bill to authorize the appointment in the Navy of additional officers for special duty in the field of law, and for other purposes"; to the Committee on Armed Services.

606. A letter from the assistant to the Attorney General, transmitting a proposed bill entitled "A bill to amend subsection (c) of section 19 of the Immigration Act of 1917 and subsection (a) of section 338 of the Nationality Act of 1940"; to the Committee on the Judiciary.

607. A letter from the Comptroller General of the United States, transmitting a report of all tort claims paid by the General Accounting Office during the fiscal year ending June 30, 1948; to the Committee on the Judiciary.

608. A letter from the acting assistant to the Attorney General, transmitting a proposed bill entitled "A bill to transfer from the Administrator of Veterans' Affairs to the Attorney General of the United States, for the use of the Bureau of Prisons, a certain tract of land located at Chillicothe, Ohio"; to the Committee on Veterans' Affairs.

609. A letter from the Director, Division of Territories and Island Possessions, Department of the Interior, transmitting a copy of a joint resolution enacted by the Legislature of the Territory of Hawaii requesting the Congress of the United States to ratify and confirm Act 4 of the Session Laws of Hawaii 1949, amending chapter 118, Revised Laws of Hawaii 1945, relating to revenue bonds; to the Committee on Public Lands.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BRYSON: Committee on the Judiciary. H. R. 4566. A bill to revise, codify, and enact into law title 14 of the United States Code, entitled "Coast Guard"; without amendment (Rept. No. 557). Referred to the Committee of the Whole House on the State of the Union.

Mr. PETERSON: Committee on Public Lands. H. R. 1720. A bill to provide for the conveyance of certain land in Missoula County, Mont., to the State of Montana for the use and benefit of Montana State University; with amendments (Rept. No. 558). Referred to the Committee of the Whole House on the State of the Union.

Mr. WILLIAMS: Committee on Post Office and Civil Service. H. R. 3444. A bill to provide for the collection and publication of cotton statistics; without amendment (Rept.



House of Representatives

WEDNESDAY, MAY 11, 1949

The House met at 12 o'clock noon.

Rev. Father Charles J. D. Corcoran, O. P., Dominican House of Studies, offered the following prayer:

Dear God, we, the leaders of thy people so bounteously blessed, prostrate our minds and hearts before Thee. Thou hast made us all to know Thee, to love Thee, and to serve Thee in this world, that we may be happy with Thee forever in heaven. Enlighten our minds and move our hearts to follow that way of life ourselves and to prescribe it for Thy people.

Teach us to walk in the footsteps of Moses, the first great lawgiver of Thy people. We have emerged from a bath of blood far worse than the trials of Egypt. We are treading the desolate path to the promised land of peace. Let not the sins of Thy people prolong our exile in the desert. Increase our faith, strengthen our confidence in Thy all-powerful help, make our past sufferings efficacious for future peace.

O God, Thou hast made us the foster fathers of Thy children. Move us to pray for them every day, so that our laws may become a living spirit in their hearts. Give to our citizens the grace that listening they may hear Thy voice in our laws. Move them to follow the wisdom, which do Thou inspire in our deliberations. Bless our beloved Nation with peace and prosperity forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

BOARD OF VISITORS, COAST GUARD ACADEMY

The SPEAKER laid before the House the following communication:

MAY 11, 1949.

The SPEAKER,

*House of Representatives,
Washington, D. C.*

MY DEAR MR. SPEAKER: I am informed by Representative CLARK W. THOMPSON, of Texas, that he will be unable to attend the meeting of the Board of Visitors of the Coast Guard Academy to be held on May 13 and 14 in New London, Conn. I wish to appoint Hon. PHIL J. WELCH, of Missouri, to attend this meeting in Mr. THOMPSON's place.

Thanking you and with kindest personal regards, I am

Yours very sincerely,

S. O. BLAND, *Chairman.*

EXTENSION OF REMARKS

Mr. FOGARTY asked and was given permission to extend his remarks in the RECORD and include a magazine article.

Mr. TAURIELLO asked and was given permission to extend his remarks in the RECORD and include an article on Representative LANHAM published in the Buffalo Evening News.

Mr. ADDONIZIO asked and was given permission to extend his remarks in the RECORD and include a letter.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

PERMISSION TO ADDRESS THE HOUSE

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ANTIDEFAMATION LEAGUE

Mr. MULTER. Mr. Speaker, the Appendix of the RECORD for Monday indicates that the gentleman from Mississippi [Mr. RANKIN] referred in this language to one of our finest American organizations, one that is doing a tremendous job to advance democracy in this country.

His reference, which I quote, is "The Antidefamation League, a Communist outfit, that has for its object the persecuting of white gentile Americans."

The chairman of that organization is none other than the Hon. Meier Steinbrink, a former Republican leader of the county of Kings, and for many years past a most respected and respectable member of the New York State Supreme Court. He was twice nominated to that high office by both major political parties. Ten of your colleagues in this Congress are members, many of us having been affiliated with it during most of our adult lives.

Let me quote to you from the official literature of the Antidefamation League what its purpose is:

It is to advance proper understanding among American groups and preserve and translate into greater effectiveness the ideals of American democracy.

The Antidefamation League is dedicated to the preservation and enrichment of America's democratic legacy. It believes that America is a great nation with a great destiny. It believes that those gaps and shortcomings in our performance as a nation that prevent us from fully achieving the ideals of freedom which motivated the founding fathers must—and will—be overcome. The Antidefamation League seeks by education and the force of public opinion to promote better human relations among all Americans.

It is an integral part of the world-famous B'nai B'rith with a history of patriotic service to the United States going back to pre-Civil War days. It has

received citations of commendation from the American Red Cross, the United States Army, the United States Navy, and the President of the United States, as well as from many others whose Americanism cannot be questioned.

The instant attack is unwarranted and baseless. It can originate only from intolerant, bigoted thinking.

The SPEAKER. The time of the gentleman from New York has expired.

EXTENSION OF REMARKS

Mr. HUBER asked and was given permission to extend his remarks in the RECORD and include a newspaper editorial.

Mr. YATES asked and was given permission to extend his remarks in the RECORD and include a resolution adopted by the City Council of the City of Chicago on April 22, 1949.

Mr. RIBICOFF asked and was given permission to extend his remarks in the RECORD and include an article by Francis S. Murphy.

CORRECTION OF RECORD

Mr. BREEN. Mr. Speaker, I respectfully request that a correction be made in the CONGRESSIONAL RECORD of May 9. An error has been noted on page A2918 in the second word of the fourth line of the fourth paragraph. The word "ever" should be substituted for the word "never."

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. PATMAN asked and was given permission to extend his remarks in the RECORD in three instances and include certain statements and extracts.

Mr. McSWEENEY asked and was given permission to extend his remarks in the RECORD and include a letter from a young boy from his district, Don Rogers, relative to the proposed national medical program.

Mr. THOMPSON asked and was given permission to extend his remarks in the RECORD.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include certain correspondence.

Mr. BOGGS of Louisiana asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD in two instances and include extraneous matter.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD in two instances and include a

resolution from the Rockingham County Medical Association, and also a resolution of the New Hampshire State Legislature.

Mr. DAVIS of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an editorial from the Wisconsin State Journal.

Mr. COLE of New York (at the request of Mr. MARTIN of Massachusetts) was given permission to extend his remarks in the RECORD and include an article by David Lawrence.

Mr. HARVEY asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. WILLIAM L. PFEIFFER asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. RIEHLMAN asked and was given permission to extend his remarks in the RECORD and include an address by Hon. FRANCES BOLTON, of Ohio, on May 7, 1949, in Syracuse, and also a telegram sent by Hon. JOSEPH W. MARTIN, JR., on that occasion.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include an article from the Washington Post.

Mr. LECOMPTE asked and was given permission to extend his remarks in the RECORD and include an original poem on the State of Iowa.

Mr. MARCANTONIO asked and was given permission to extend his remarks in the RECORD and include a letter written to the New York Post.

Mr. SABATH asked and was given permission to extend his remarks in the RECORD and include two articles; one editorial from the Chicago Sun-Times, and one from the New York Times.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

VETERANS' LEGISLATION

Mr. RANKIN. Mr. Speaker, I shall not take the time to reply to the gentleman from New York [Mr. MULDER], but I know what I am talking about.

I expect to introduce a resolution to have this so-called Antidefamation League investigated. When we turn the pitiless sunlight of merciless publicity onto that subversive organization, the House will be astounded and the American people will be shocked.

But, Mr. Speaker, I just want to talk a moment about veterans' legislation.

This morning the Committee on Veterans' Affairs turned down my program and adopted one which will shut out six out of every seven World War I veterans who reach the age of 65 years. The bill will be brought up under the general rules of the House, and every opportunity will be afforded to offer amendments.

Under the bill, as it was written, World War I veterans would have been paid, by the year 2000, a total of \$14,782,000,000.

Under the amendment adopted this morning, on a roll call, they will be paid, up to and including the year 2000, \$2,027,000,000, or less than one-seventh of the amount, which they would have received under my original bill.

The SPEAKER. The time of the gentleman from Mississippi [Mr. RANKIN] has expired.

EXTENSION OF REMARKS

Mr. CELLER asked and was granted permission to extend his remarks in the RECORD in two instances.

PERMISSION TO ADDRESS THE HOUSE

Mr. CELLER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

ANTIDEFAMATION LEAGUE

Mr. CELLER. Mr. Speaker, I cannot let the occasion go by without commenting on the canard that the gentleman from Mississippi was guilty of when he called the Antidefamation League subversive.

Mr. RANKIN. Mr. Speaker, I demand that those words be taken down.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. CELLER. Mr. Speaker, I cannot let the occasion go by without commenting on the canard that the gentleman from Mississippi was guilty of when he called the Antidefamation League subversive.

The SPEAKER. The Chair desires to make a statement. There are too many "left handed" compliments being passed around this House all the time on both sides.

The word "canard" to me conveys the idea that a man has told a falsehood. Therefore, if anybody desires to move to strike it from the RECORD—without objection, the word "canard" will be stricken from the RECORD.

There was no objection.

Mr. McCORMACK. Mr. Speaker, I move that the gentleman from New York be allowed to proceed in order.

Mr. RANKIN. Mr. Speaker, I make the point of order that there is no quorum present.

The SPEAKER. Does the gentleman object?

Mr. RANKIN. I object, and I make the point of order that there is no quorum present.

CALL OF THE HOUSE

The SPEAKER. Evidently there is no quorum present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 93]

Barrett, Pa.	Davenport	Gilmer
Bates, Ky.	Davies, N. Y.	Gwinn
Bland	Dingell	Hall,
Boykin	Engel, Mich.	Edwin Arthur
Buckley, N. Y.	Fernandez	Hinsshaw
Byrne, N. Y.	Fugate	Hobbs
Chatham	Gathings	Horan
Clevenger	Gavin	Hull
Coudert	Giffette	Jennings

Kearns
Kelley
Kilburn
Kling
Klirwan
Lemke
Lemay
Murphy
Murray, Wis.
Noland
O'Brien, Ill.
O'Neill

O'Toole
Pfeiffer,
Joseph L.
Phillips, Tenn.
Powell
Ramsay
Richards
Rivers
Sasscer
Secret
Short

Smathers
Smith, Ohio
Smith, Va.
Taylor
Thomas, N. J.
Wadsworth
Whitaker
Withrow
Woodhouse

The SPEAKER. On this roll call 376 Members have answered to their names; a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

Mr. McCORMACK. Mr. Speaker, I understand the gentleman from New York [Mr. CELLER] is not going to proceed any further under the 1-minute rule. In view of that I will withdraw my motion.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. SPENCE. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H. R. 2682, with Mr. GORE in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, the gentleman from Kentucky [Mr. SPENCE] had 26 minutes remaining, and the gentleman from Michigan [Mr. WOLCOTT] had 23 minutes remaining. Before the Committee rose, the gentleman from Michigan [Mr. WOLCOTT] had been recognized for 15 minutes.

The Chair recognizes the gentleman from Michigan at this time.

Mr. WOLCOTT. Mr. Chairman, just before the Committee rose last night, I had made the statement that this bill would not be before us today were it not for the misstatements made by the President in the campaign last fall.

The Commodity Credit Corporation was set up back in 1933 as an independent agency of the Federal Government, incorporated under a Delaware charter, with very broad powers, and authority almost without limitation in the agricultural field. The life of the Corporation was determined by the Congress. Periodically we continued the Commodity Credit Corporation as a Delaware corporation until last year, when under the Corporation Act the life of the Corporation would have expired had we not rechartered it as a Federal corporation, which was done. That removed all limit of time in which it should function. In other words, we made it a permanent agency of the Government within the Department of Agriculture.

We provided a board of five directors, three of whom would be from the Department of Agriculture and two appointed by and with the advice and consent of the Senate who are not connected with the Department of Agriculture.

Under questioning this year Mr. Brannan said that the Board had been functioning very nicely, that the two independent members had cooperated splendidly, that there had been no interference whatsoever with the work of the Board.

Many of us think of the Commodity Credit Corporation as an agency which has solely to do with the support of farm prices. We lose sight of the fact that the Commodity Credit Corporation has other purposes than the support of farm prices. The activities of the Corporation may be grouped into the following major categories: The price-support program, a supply program, a foreign-purchase program, a commodity-export program, a loan program for agricultural conservation purposes, and a subsidy program. Much of their wartime activity is now being liquidated, if it has not been quite liquidated: so, you see, the Corporation has other duties and functions than to support farm prices, and it was for that reason that we did not think last year that it was good business on the part of the Government to turn over to one individual, whether he be an esteemed member of the Cabinet, or even the President himself, the administration of \$4,750,000,000 without restraint. Under the bill which we have before us today, in setting up this new Board, in providing that the Secretary of Agriculture shall have supervision and direction of the Commodity Credit Corporation—and all of the other members of the Board being appointed from the Department of Agriculture—we, of course, would in fact be turning over to the Secretary of Agriculture the administration of \$4,750,000,000 to do with as he pleased so long as he confined himself to the very particular purposes of the Commodity Credit Corporation. That is one of the major controversies in the bill. I do not believe that the President of the United States during the war, I do not believe that President Roosevelt during the war, ever had the authority to manipulate without standards and without restraint as much money as you seek to make available to the Secretary of Agriculture in this bill. This is one very fundamental and basic objection to the bill.

The other objection to the bill has to do with the availability of storage facilities and the authority under this bill to socialize the warehousing, storage, and elevator industry in the United States. The President, in Dexter, Iowa, on September 18, 1948, made some pretty bitter statements which were not predicated upon fact; so I, having in mind that we surely did not want to charge the President with being intellectually dishonest in his campaign, questioned Mr. Brannan in respect to whether the President had ever been advised during the campaign that the Department of Agriculture through the Commodity Credit Corporation had been disposing of surplus grain storage facilities; whether on the very day that the President made the statement he did at Dexter, Iowa, on September 18, 1948, in which he charged that the price of farm commodities was going down because the very bad Eight-

leth Congress had not made them available. I asked Mr. Brannan if the President of the United States had been advised that on that very day the Commodity Credit Corporation was disposing of surplus grain facilities. And to the President's credit, Mr. Brannan said he did not remember ever having discussed the matter with the President. So that eliminates all criticism of the President of the United States as being intellectually dishonest in respect to this storage matter.

The statements of the President in that speech, however, were not correct because under the Commodity Credit Corporation charter the Commodity Credit Corporation is not prevented from furnishing storage to farmers, and, secondly, the Commodity Credit Corporation in the past did not furnish any storage facilities to farmers except they did sell storage bins to farmers after the Commodity Credit Corporation determined that such storage bins were in excess of its needs.

Mr. Chairman, these are the facts as elicited from Mr. Brannan's testimony before our committee:

On May 31, 1948, the Commodity Credit Corporation had an inventory of 20,742 grain bins. On February 28, 1949, the Commodity Credit Corporation had an inventory of 17,783 grain bins. Between May 31, 1948, and February 28, 1949, the Commodity Credit Corporation had disposed of 2,959 grain bins with a total capacity of about 8,078,070 bushels.

It is interesting to note the dates on which these bins were disposed of, and I want to call attention to the fact, as I read these figures, how rapidly the disposal of these bins sloughed off to nothing after the President made the statement he did on September 18 at Dexter, Iowa.

During June and July, 1948, they disposed of 1,220 bins; in August and September, 1948, they disposed of 871 bins; in October and November—most of them in October—they disposed of 771 bins and after that up to the present time they have disposed of only 97 grain bins.

Of course, after the President charged that the Eightieth Congress had made it impossible for them to get grain storage facilities it was inconsistent with that position for the Commodity Credit Corporation to continue to sell grain storage facilities although it had been their policy for a year or so before that to do just that very thing. As a matter of fact, in the last few years a small percentage of bins had been rented, mostly to elevators; some space had been rented to farmers. The Commodity Credit Corporation has been following the policy of disposing of grain bins for some time.

At one time the Commodity Credit Corporation owned 62,929 grain bins against its May 31, 1948, inventory of 20,742. Up to that time they had gotten rid of about 42,000 steel grain bins. You may add to that 78,437 wooden grain bins, or a total capacity for about 300,000,000 bushels of grain. All of these wooden bins, the 78,000, have been disposed of, and all but 20,000 of the steel bins had

been disposed of before May 31, 1948. So, we can put it this way, that all of the wooden bins have been disposed of, and that out of the 62,929 steel bins they only have remaining 17,783.

All of the bins have been disposed of in the States of North Dakota, South Dakota, Ohio, Kansas, and Nebraska. Do you recognize any of those States as reasonably large growers of grain? Of course, you do. I repeat, that it has been the policy of the Commodity Credit Corporation to dispose of surplus grain storage facilities for years, and at the very time that the President was charging that he did not have grain storage facilities enough, the Commodity Credit Corporation was selling surplus grain bins.

Now let us take a look at the act which we passed. I might say the reason why the Commodity Credit Corporation was not authorized to acquire real estate was for the same reason that I am arguing against sections of this bill which would authorize them to do it. Under the bill which we have here today, if it is adopted, the Commodity Credit Corporation or the Secretary of Agriculture, if you will turn it over to him, will have the authority to use any part which he has left of \$4,750,000,000 to buy every warehouse, every elevator, every other kind of storage facility in the United States. You turn over to the Secretary of Agriculture the power to socialize the grain storage and warehousing industry in the United States.

Those are things last year which we were fighting against, but we did not curtail in any manner the authority of the Commodity Credit Corporation to continue to make and enter into and carry out such contracts or agreements as are necessary in the conduct of its business. We did not prohibit, as a matter of fact, we specifically provided that the Commodity Credit Corporation may contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of agricultural commodities subject to its control.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. KUNKEL. Before the gentleman gets into a discussion of the other features, I want to emphasize one point. If the present proposal is defeated, then what actually happens is that the bill passed last year remains in full force and effect; in other words, there will be no end or abolition of the Commodity Credit Corporation, but it will merely continue to operate under the corporate act passed last year instead of this new one now before the House.

Mr. WOLCOTT. The gentleman is absolutely correct. It will not prohibit the Commodity Credit Corporation from doing anything that it ever has done up to the present time. I want to call your attention also to the act of last year, if I may, that there was an exception to the prohibition against the acquiring or

leasing of real estate. They may rent offices and renew leases as they have heretofore, so they may still continue their functions. But, we sought to compel them, and they should be compelled, to use ordinary trade channels in the storage of grain.

The point here is that the Commodity Credit Corporation was never set up to store grain except that grain on which they had made a loan. They had never been set up and they never should be set up to go into competition with private elevators and private warehousemen in the storage of grain or any other commodity. That is what we sought to prevent, and I hope we shall continue that as a policy. Otherwise, you make it possible to socialize this very important segment of our industry, and I say, without fear of successful contradiction, that if you give the United States Government the authority to socialize the storage, transportation, and processing of grain and these other commodities, you will have effectively given the Government the authority to socialize the agricultural industry, as a most important segment of our entire economy. If you socialize agriculture, then it will follow only naturally, of course, that the other segments of our economy will fall in line. It would be a very simple thing to do.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. JENSEN. Did I correctly understand the gentleman to say that the bill we passed last year gave the Commodity Credit Corporation the authority to acquire land and real estate?

Mr. WOLCOTT. No; I said they would not have it. They had the authority to continue the facilities they had and to continue the leasing of those facilities they had. There was nothing which would have prevented them from continuing or renewing the leases they had on existing facilities.

Mr. JENSEN. Does not the gentleman feel that it is necessary in order to carry on this program that the Commodity Credit Corporation should have some authority to purchase some of the land on which these facilities are placed?

Mr. WOLCOTT. Not without some restriction. They never have done it.

This is the point. Let us understand this. They had every authority in the world, the broadest authority in the world up to June 29 of last year to buy any amount of property if they wanted to buy it, with \$4,750,000,000 to do it. They never have bought these facilities, and they know it. They have leased them. They have entered into contracts with them, and they got along splendidly until a political issue was made of this. This bill is predicated on political expediency and nothing else.

Mr. JENSEN. They did have authority to lease real estate?

Mr. WOLCOTT. Yes; and we did not take away from them the authority to continue those leases.

Mr. JENSEN. That is the answer I wanted.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Indiana.

Mr. HALLECK. Did I correctly understand the gentleman to say that at the very time it was being charged against the Eightieth Congress by the President that we had failed to provide storage facilities for grain the Commodity Credit Corporation was disposing of storage facilities it had?

Mr. WOLCOTT. They disposed of only about 800 bins after he made that statement, but up to that time, between June 1 and the time he made the statement, they had disposed of over 2,000 last year. Altogether they disposed of 2,959, with storage capacity of 8,078,000 bushels, after, you understand, the 1948 act was passed, which had been the policy for years before that date.

Mr. HALLECK. I heard the gentleman say, and I think very fairly, that in view of the fact that Secretary Brannan had not discussed the matter with the then candidate, the gentleman holds that he was not intellectually dishonest in what he said. However, speaking for myself, it looks to me as if he was being very careless with the facts to make the sort of charge that was there made in view of the circumstances.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Iowa.

Mr. GROSS. Does the gentleman have any figures to show how much was paid for these grain bins that were sold to private interests?

Mr. WOLCOTT. Yes. They had a formula. It was on a capacity basis. It was 10 cents a bushel, and then so much more if the bin had been recently painted. The sales price for grain bins during this period was 10 cents per bushel of rated capacity, plus \$25 if the bin had been recently repainted. Most of the grain bins had a capacity of 2,730 bushels.

The contention has been made that some of these bins were deteriorating and were sold because they were deteriorating. Some of these wooden bins were apparently deteriorating to the point where they were not useful for any other purpose than to house human beings. I have in my hand a letter from a man in Nebraska offering to send me pictures of homes that have been made out of these storage bins. Apparently they were not good enough and were deteriorating so rapidly and to such an extent that grain could not be stored in them, so they started to house human beings in them.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. WOLCOTT. I yield.

Mr. KUNKEL. I was on the conference committee and followed this bill very closely last year. I know that the gentleman did the same. I cannot remember at any time this issue being raised before our committee of a possible shortage of storage, nor can I remember that issue being raised in conference. Can the gentleman recall anything of that kind?

Mr. WOLCOTT. No; as a matter of fact, it was well known in the committee last June when we passed this bill that

at that time it had been the purpose, and it still is the purpose, of the Commodity Credit Corporation to dispose of surplus bins. The only issue before the committee at that time was whether the Government should be given authority to socialize the grain elevator and warehouse industry and if there is anything that I will ever be proud of in my life, it is the contribution that I have made toward preventing the socialization of that or any other segment of our American economy.

Mr. KUNKEL. Some of the conferees representing the other body were outstanding agriculturalists, is that not correct?

Mr. WOLCOTT. Oh, yes; the conferees on the part of the other body, of course, were all agriculturalists. Although the Committee on Banking and Currency had jurisdiction of it in this body, the Committee on Agriculture had jurisdiction in the other body. The conference was with members of the Senate Committee on Agriculture and, as I remember it, the report was unanimous.

Mr. KUNKEL. Does the gentleman know of any legal opinion being given in the Department of Agriculture which indicated that the Commodity Credit Corporation did not have the power to furnish this storage?

Mr. WOLCOTT. No; no such opinion was ever given. I might say that the Administration had to apply to this language the narrowest interpretation that has ever been applied by any bureaucrat or any bureau to any language that ever passed this body. We have had the experience—or at least in the 18 years that I have been here, and for every year that we had these controls, we had to review the controls and spell them out in a little more understandable language, because of the loose interpretation and the very broad interpretation which the bureaus placed on them. If they sought power to do something they usually found the language to justify their actions. Every year, constantly, we have had to amend language to offset the breadth of the interpretation which bureaus and bureaucrats have put upon the congressional language. They put the narrowest interpretation on this, of any language that I ever knew of, to find excuses for not having furnished adequate storage facilities themselves.

Mr. KUNKEL. If memory serves me correctly, the final conference report on the commodity credit bill was adopted unanimously. Am I correct in that statement?

Mr. WOLCOTT. The gentleman is absolutely correct; both as to the conferees on the part of the House and of the other body, and, if I recall correctly, by the House itself.

Mr. HOEVEN. I believe I am correct in stating that during the discussion of the bill on the floor of the House last year no objection was raised on the part of the administration leaders, and the President signed the bill without comment.

Mr. WOLCOTT. Yes; but he did make a comment 3 or 4 days later when the Agricultural bill was signed by him. When he signed that bill, he commented on the CCC bill.

Mr. HOEVEN. But not at the time he signed this bill.

Mr. WOLCOTT. No protest was made at that time.

Mr. Chairman, I want to emphasize these two major problems, which we have before us today. First, by amending this charter in respect to the Board of Directors, for all practical purposes, we, in effect, turn over the administration of the Commodity Credit Corporation to the Secretary of Agriculture and keep the corporate entity only for the purpose of issuing notes, bonds, and debentures to raise the money for the Secretary of Agriculture to use.

Secondly, we make it possible for the Secretary of Agriculture, through the use of this \$4,750,000,000, or as much of it as he needs, to purchase every grain-storage facility, every tobacco-storage facility, every cotton-storage facility, every cold-storage plant—to buy every one of them in the United States, and thereby socialize that part of this very important industry, the industry upon which our agriculture depends, thereby eventually effectuating total socialization of agriculture.

I know, Mr. Chairman, there is a large—I hope not too large—segment of this House which has shown a disposition to socialize other segments of our economy; but as long as I am in the Congress of the United States, whether it be agriculture, whether it be industry, whether it be any other important segment of our economy, I am going to fight to the best of my ability to prevent the socialization of those different segments of our economy, because I like this form of government of ours and I will fight as hard as I can to protect it.

The CHAIRMAN. The time of the gentleman from Michigan [Mr. Wolcott] has again expired.

Mr. SPENCE. Mr. Chairman, I yield 14 minutes to the gentleman from Oklahoma [Mr. Monroney].

(Mr. MONRONEY asked and was granted permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, I rise in support of this bill. It is an effort to again reestablish the Commodity Credit Corporation as an effective, reliable agency for the support of farm prices. I think it has been the most valuable tool that the Congress has had to raise the level of farm income in the United States.

It has helped do away with those violent fluctuations of farm prices that have led to feast and famine, but more often to famine for the farmers of this country.

This agency was virtually crippled on June 18, 1948, when the Republican leadership suspended the rules and in 40 minutes' debate passed the present bill. It was not subject to amendment or clarification, and it virtually did away with the principal arm that the Commodity Credit Corporation has always had to help maintain a decent level for farm prices.

Those two amendments were prohibition against acquiring its own additional storage facilities in areas of production or even securing new leases on land on

which to place storage bins; and, second, the removal of the control of the Corporation from the Secretary of the Agriculture into an independent board. It thus created a divided line of authority that would certainly handicap and cripple the mandate that the Congress had placed upon the Secretary of Agriculture to support farm prices at 90 percent of parity.

This bill reinstates the method as it has been since 1938 when it has worked so effectively, and, incidentally, without any complaint as to any socialistic tendency or any effort to interfere, compete, or to seriously disturb any private business element of our country.

Through fear and the demand of the pressure groups, the House crippled this principal instrument in supporting farm prices through loan programs. No crop price-support program can work well without a loan program, and no loan program is possible unless the crop can be stored.

Much has been said by the distinguished gentleman from Michigan [Mr. Wolcott], that during the period that we were having difficulty on the storage of these crops the Department of Agriculture sold storage bins. Look at the record. About 10 percent of their old, worn-out, deteriorated, wooden storage bins were sold during the period of time in question.

Yet this is cited as sole proof that the Department of Agriculture did not know what it was developing and was careless to the interests of the farmer for grain storage. These old wooden bins, built during the war in many cases, were in many cases badly placed. Often they were placed not where there was a glut expected in corn or wheat, but they were placed in far-off areas where emergencies did not exist; and yet the prohibition in the act the Congress had passed did not even delegate to the Corporation the right to move these wooden bins to new locations on leased land where gluts were occurring. I do not see how in the world you can claim that their action in disposing of the old bins indicates that the Department was unfamiliar with the situation.

I should like to read a portion of what Secretary Brannan said:

Secretary BRANNAN. If the information or your thinking, Mr. Wolcott, is by disposing of them we destroy storage capacity, that is the point I want to correct specifically. In selling these we actually were taking steps to maintain the existing storage capacity at its maximum level. We were putting it in the hands of farmers who spend the time and money to keep the facilities in good shape. We were hoping that some day we would be able to replace them with uniform types of more durable storage. We have not sold any of the steel bins.

And yet they are criticized because they disposed of these, of a type, I grant you, that thrifty farmers or good handy men could have made into housing, but they were not the best type of storage. It was the part of wisdom for the Government to get out of the tremendous expense of maintaining this type of storage.

The argument of the former chairman of our committee that this bill did not

prohibit the Department of Agriculture, the Commodity Credit Corporation, from acquiring storage and leasing sites and that the attorneys who interpreted this law were entirely too careful, is certainly a new line of argument to hear from the Republican side.

Mr. KUNKEL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. Briefly.

Mr. KUNKEL. I should like to know where there is any interpretation or legal opinion that has been given on this question.

Mr. MONRONEY. Every attorney for the Commodity Credit Corporation and the Department of Agriculture held that they would be violating the mandate of the law that we passed if they did not construe the law as it was plainly written.

Agricultural leaders on the gentleman's side of the aisle who are most familiar with this farm storage situation took the floor when the former bill was under consideration to point out that very fact and brought in evidence from the large farm organizations of this country warning the Congress.

All that was placed in the RECORD on June 18, calling attention to exactly what your bill would do and what it did do. It sounds mighty funny to me to hear you people come and say this new bill would not be here if it were not for the fact that the President in some speech in Iowa in September last year had brought this charge. You had the information from your own members on your own Committee on Agriculture; you had it from the farm organizations; you had it from the President of the United States on July 3, shortly after he signed this bill.

Therefore you had this whole matter of how it crippled price supports raised before the Congress in time to do something about it. You know how it was being construed. There was careless handling throughout by the committee. The fact that they suspended the rules and brought it in under that unusual procedure of legislating laid the trap that the Republican Party got themselves and the farmers caught in.

I cannot get terribly afraid of the charge by the gentleman from Michigan [Mr. Wolcott] that this bill is going to socialize the grain and other storage industries.

Since 1938 the Corporation had been using to the fullest possible degree the storage facilities available through normal commercial channels. I had heard little or no complaint regarding its operations or any cries of interference with private enterprise. All this was done under its Delaware charter—a much broader grant of authority by far than that proposed by even the Department to the Congress when it sought its new Federal charter.

But a panic of fear was raised by various special interests who saw in the new charter either fancied danger of competition—or a chance to wreck this agency whose program had done so much to stabilize farm prices at good levels and to prevent the violent ups and downs of prices due to speculators.

And so the crippling amendments were written into the bill to prohibit by basic

law the Government from having "power to acquire or lease any such plant or facility, or to acquire or lease real property or any interest therein, except that it may rent or lease office space necessary for the conduct of its business and it may continue to lease—by renewing of existing leases or entering into new leases—property leased by it on the date of enactment of this act." *

If that does not mean that they were frozen exactly in the locations where they were, that they could not acquire any new storage facilities, such as track-side bin facilities that are so necessary to keep grain in the area of production, I do not know what it means.

Mr. MARSHALL. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Minnesota.

Mr. MARSHALL. I call attention to the fact that the Commodity Credit Corporation is now in great danger with the farmers in taking delivery of wheat and will be in the fall in taking delivery of corn because they do not have the facilities in which to place the crop which the farmers will also hold the Eightieth Congress accountable for.

Mr. MONRONEY. I thank the gentleman.

It is rather amusing to hear speakers on the Republican side, as the gentleman from Kansas [Mr. COLE], in their effort to try to shift the blame.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Kentucky.

Mr. SPENCE. The Secretary of Agriculture stated before the committee that he acted on the opinion of the counsel for the Agriculture Department and gave us an analysis of the opinion he rendered.

Mr. MONRONEY. I thank the gentleman. We hear all this conversation every day from the Republican side about officials exceeding their authority. This agency was surely trying to live within the letter of the law.

This is an effort today on the part of the Republican side to shift the blame to the Commodity Credit Corporation. They say the Commodity Credit Corporation should have used storage facilities which were only 20 percent full on the Atlantic seaboard or in Seattle or in Houston or perhaps South America. That does not hold water at all.

In their effort to escape blame, they would have ridden this wheat and corn thousands of miles out of its customary hauls to market to find this storage somewhere in these broad United States. Of course, they do not say just where the Government would have gotten the freight cars to do this joy riding with since there was a grave shortage of transportation at that time. They do not say how many millions of dollars this cross shipment—wasted haulage—would have cost. But it is as good an alibi as any when you are stuck with hard realities and with the fact your bill did cause this to happen.

They say that the Secretary should have raised the parity loan in the distressed localities, that he figured it all wrong. The same formula, however, that has been used, and whether you

figure it from the farm to the market place or from the terminal back to the farm, it all comes out the same. The law provides that it shall be that way.

If transportation had been given to the farmers in these affected areas, they would have received higher than 90 percent of parity that other farmers were receiving, because the freight would have been given to them. This would have been in clear violation of the law that directs the Secretary to support the price of grain at 90 percent of parity.

Still another alibi had it that the Secretary should have stepped in and bought up wheat. Had he done this, he would have had to buy up almost all of the entire crop. And then the purchasing of this volume of the crop would have genuinely been subjected to the cry of Government interference with private enterprise, that it would have socialized the marketing of grain.

He did buy some, but this was under the direct orders of the Congress to buy, as an agent for ECA and to not pay more than the market price for it. These purchases did help give some relief to the hard-pressed farmers, but there is no precedent for large scale wheat-buying programs such as there are for other perishable crops.

These alibis will not work for the American farmer who knows that he must have an agency in Government capable of meeting emergencies when they arise and which must not be hog-tied and hobbled against taking the necessary action to provide for emergency production area storage, which is exactly what was denied to the Corporation by the bill passed by the Eightieth Congress.

None of us want to see the Government in the storage business or interfering with normal channels of trade when available in usable locations. That is why in this act before you now we have wisely—not unwisely—safeguarded existing privately owned and cooperatively owned storage facilities against Government competition.

We have said as plainly as the English language can put it as follows:

That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring any real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, that nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable, consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities and arrangements of trade and commerce in the handling of commodities.

Remember, gentlemen, that we are writing basic law, into this charter. It is not possible to change this law on a minute's notice to meet a crisis such as we met with an inflexible prohibition against additional production area storage facilities in the present act. If there are threats of violation—despite the clear provisions of this act the Appropriations Committees of the two

Houses in their annual review of the Corporation's budget can catch them—and prohibit them by limitations. Further the constant audit of the Corporation by the GAO will always keep the Congress informed of any plans that might conceivably be made—although none ever have to go beyond providing only necessary track-side storage.

In this act I hope that the Congress will not make the mistake the Eightieth Congress did and restrict this act against meeting such emergencies. All of the experience over 10 years of action proves that the CCC will use to the fullest extent existing private and cooperative storage facilities, no matter what the lobbyists may say. But they must have the right, in cases of emergency, to take care of these crops against destruction and deterioration due to lack of storage.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. MONRONEY. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. I want to point out that on page 109 of the hearings there is a statement by Chairman HOPE of the Committee on Agriculture of the Eightieth Congress and the gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] pointing out the two defects in this legislation, at page 9020 of the RECORD on June 18, 1948, and they concur, of course, in the general statement of the gentleman from Oklahoma.

Mr. MONRONEY. And they do not concur in the statement of the ranking Republican Member.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. GAMBLE. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. NICHOLSON].

Mr. NICHOLSON. Mr. Chairman, we have sat here and discussed the political campaign of last November, which does not have anything to do with this bill at all, and I hope the Members will not try to make this a Republican or Democratic measure.

This bill does two things: It does away with the Commodity Credit Corporation and hands it over to the Secretary of Agriculture, and it gives him power to build warehouses of any kind wherever or whenever he pleases. It seems to me that with the mark that the industry has made in this country of building warehouses for the commodities of the farmers, that they should be left alone. If it were not for the fact that private industry has furnished all through the years a place for the farmer to put his excess commodities, he would have been in a pretty sad plight. All of the information that came before the Committee on Banking and Currency showed that there were adequate—and I repeat, adequate facilities for the storage of commodities in this country.

So, I say, there are only two things here. If you want to do away with the Commodity Credit Corporation and hand it all over to one man who now, Mr. Chairman, has more than he can attend to, pass this bill. But we have a bill be-

fore us now that puts him in the housing business, and he is head of the Commodity Credit Corporation, and he is head of the Department of Agriculture, which everybody knows is a one-man job. He cannot spend any time doing anything else.

So, Mr. Chairman, I would like to say for the benefit of Members that there is not anything that is Democratic or Republican about this at all, and whether we lost the fight or the other side won, does not make any difference at all, and ought not to. This bill affects every big city in the United States where they have warehouses today to take care of excess commodities. It puts them in a bad light. Furthermore, when we ask them to adopt private warehouses, they said, "We are not going to use them." Well, if they are not going to use them, what is it in there for? If somebody offers us an opportunity or you an opportunity to vote to strike that out, you will not hurt anybody.

Mr. SPENCE. Mr. Chairman, I yield the balance of the time to the gentleman from Georgia [Mr. BROWN].

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, yesterday I confined my remarks to storage facilities. I think we all have agreed on one thing, and let us leave politics out of it, that you did not have enough storage facilities in the West for grain last year.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I am sorry I cannot yield now, but the gentleman cannot refute what I have stated anyway because he does not live in the West, I happen to know.

The cause of insufficient storage facilities has nothing to do with this bill. If you do not pass this bill, you will not have any more facilities for your grain in the West, because under the present law that we passed last year the Commodity Credit Corporation could do but one thing, renew the lease on the facility at its present location, but it could not establish needed facilities anywhere else. The Corporation could not transfer a facility from a location where they had plenty of facilities to a place where they did not have enough. Therefore, the farmers were forced to sell their products when they did not have sufficient facilities.

Nobody can refute this. That is the truth, and the purpose of this bill is to give ample facilities everywhere, where free enterprise failed to do it. It is simply to provide facilities to store agricultural commodities where the Commodity Credit Corporation makes the loan.

Talk about socialism, I know there is not a man in this House more against socialism than I. The producers of the different commodities in the United States needed help, and we organized the Commodity Credit Corporation for the purpose of making loans to the commodity producer so he could hold his commodity off of a declining market.

From 1933 to last year, 1948, CCC had the right to go into any community and

buy land and establish a facility and operate it in its entirety, and no complaint was made. The Commodity Credit Corporation is by far the most popular agency in the United States Government. Practically everybody on both sides of this aisle has paid it a great compliment in the years gone by. The fact that we now have a little political feud in the West does not change the need of these people. They are entitled to have this relief, and they will not have it unless this bill passes, because the Commodity Credit Corporation does not have the authority. You trusted the Commodity Credit Corporation from 1933 to 1948, when they had twice as much authority as they have under the present bill to go into a community and establish facilities and operate them, yet not a word of criticism was uttered or a finger pointed at it on the ground that the Corporation interfered with free enterprise.

Whose agency is this? It is the farmers' agency. Besides helping the farmer, it has gone into these communities and helped the local banks who furnish the money so the farmers can keep their products in the warehouses. All the farmers and practically all the warehousemen, except a very few selfish warehousemen, are for this bill today. If I were a warehouseman, I would show more gratitude to the agency that had made money for me throughout the years when the agency was established primarily for the purpose of helping the farmer. Incidentally, besides making money for the warehousemen, the Commodity Credit Corporation did not try to interfere with the building by private enterprise of any facility anywhere, but on the other hand cooperated with the warehousemen.

Gentlemen, let us forget politics. You need more storage facilities now in the West. You are going to need it in the South and other sections of the country some day. And if you do not need it, the Commodity Credit Corporation, under my amendment, cannot establish it. It is foolishness to argue that this will interfere with free enterprise.

Mr. Chairman, we sometimes criticize our Federal departments and agencies. Quite often they deserve all the criticism they get. At the same time, I think that we should recognize work well done. With that thought in mind, I want to say right here and now that the Commodity Credit Corporation has been doing an outstanding job for this country. It is serving the farmers well. It is serving consumers well.

We have built up a sound farm program in this country over the past 16 years. First of all, we eliminated farmers' fears of losing, through foreclosure, all that they had worked for through the hardest kind of toil. Then we went ahead to assure real parity to farmers, to put prices of what the farmers had to sell on a par with what they had to buy. Today agriculture is prosperous, a major factor in the over-all prosperity of the Nation. We in the Congress have a duty, a mandate, to do all we can to maintain agricultural prosperity.

The Commodity Credit Corporation is the strong backbone of the over-all

farm program. Without the Corporation, without its flexible mechanism for taking prompt, decisive action in the face of serious emergency, there would be no farm program.

I know what the Commodity Credit Corporation has meant to the hardworking farmers of the South. I have talked to cotton raisers, to peanut growers, to tobacco producers. They have told me that, without the Corporation and its financial resources, prices of their commodities would be ruinously low. They have told me that the economic stability the Corporation has brought to southern agriculture has meant the difference between living in the good American tradition or of existing on the thin edge of poverty. They have made it clear to me that they want this important agency strengthened to the extent needed to meet its full responsibilities.

I know, too, what the Commodity Credit Corporation has meant to consumers. I have talked to consumers in the mill towns of the South and in the great population centers of the North. Consumers are learning more and more about agricultural economics. They know that farmers will produce the heavy volume of food and fiber required by our working, expanding population when farmers are assured that those products can be marketed at fair prices. They know, too, that fair prices for farm products increase the farmer's purchasing power and assures a broad market for the goods and services made available by nonfarm workers. They know that most depressions start with low prices for the things farmers sell and soon spread and result in idle factories in the city.

The Commodity Credit Corporation was established to help farmers. It was established to help consumers. It was, in brief, established to help all the people. It has done that job many times and in many ways.

When this country went to war, the Corporation was given the extremely difficult task of procuring, storing, and moving forward the vast quantities of food required by our armed forces and allies. At the height of the war this purchasing totaled more than \$5,000,000 per day. But our armed forces never went hungry—whether they were stationed in this country or in Europe or Asia, and our allies were provided the strength needed to keep them fighting at our shoulder.

The procurement job carried over into the postwar period as this country threw its weight behind the nations battling to maintain their democratic ideals. Since VJ-day, the Corporation has purchased millions of tons of food for shipment to the Marshall-plan countries. This food has relieved human suffering, of course. But it also has assured the people living in the shadow of communism that the United States means business.

The Commodity Credit Corporation, in carrying on its price support, supply, and foreign-purchase programs, has handled transactions totaling billions of dollars. From the time the Corporation was organized in 1933 up to the present time, the activities of this agency have reflected good management on the part of

the Corporation's officials. It is fortunate that we permitted the Corporation freedom to adopt prevailing business methods rather than requiring it to follow cumbersome procedures which are often so burdensome to farmers and businessmen in their transactions with government.

The Corporation, from the date of its organization up to the present time, has been operated on sound-business principles. All activities have been undertaken with the idea of protecting the best interests of the Government to the maximum extent possible. The financial results of the agency reflect this policy. The cost of carrying on operations other than subsidies, which were required to maintain OPA price ceilings at established levels, has been amazingly low considering the scope of the Corporation's activities and the benefits obtained.

Last year the Congress approved a Federal charter for the Corporation—a charter that made the Corporation a permanent agency of the United States. That charter maintained the borrowing power of the Corporation at \$4,750,000,000. It also provided needed flexibility. This legislation, in general, was good legislation.

At the same time, the new charter had some defects. For example, it failed to give the Corporation needed authority to provide facilities to store grain controlled by the Corporation. It restricted the ability of the Secretary of Agriculture to discharge effectively all the responsibilities placed on him by the Congress. Several months of operation under the new charter have revealed other shortcomings.

This House has an opportunity, in H. R. 2682, to correct these deficiencies. And I am sure, by approval of the amendments to the Charter Act proposed in H. R. 2682, that this House will have added a milestone to an already imposing record of legislation in the field of agriculture. H. R. 2682 will strengthen the Corporation's charter. In strengthening the charter, it will enable the Commodity Credit Corporation to continue in the future—as it has in the past—to work in the best interests of all the people.

There is one amendment which I placed in the bill which is known as section 7. I want to tell you what it does. It authorizes the Commodity Credit Corporation to exchange surplus commodities, which the Corporation owns, for strategic and critical materials so that the stock-piling agency can pay or reimburse the Corporation for such strategic and critical materials and in this way the Commodity Credit Corporation will not lose anything.

Section 7 is one of the most important measures before the Congress from the standpoint of the benefit it may provide the American farmer in holding and expanding the market outlets for his products. Lengthy consideration is being given to the question of how low to reduce the production of our various agricultural commodities to bring supplies in line with existing demand. Weeks of discussion have already been held and will doubtless be held in the future on how high the unit price will have to

be supported when production is restricted at lower levels to give farmers parity income or its equivalent.

This program attacks the farm problem from the other angle—expanding the distribution. This is a measure which is designed to increase the size of the farmer's market—to gain for him a market where none exists. In short, it is intended to increase the volume of his sales. It provides a realistic means of disposing of surpluses in world markets where they are needed by exchanging them for materials needed in the United States.

One of the most attractive features of this plan is that it will increase the market outlet for farm products without increasing the burden on the United States taxpayer. Critical materials so acquired by the Commodity Credit Corporation in exchange for agricultural surpluses will be transferred to the defense stock pile and the Commodity Credit Corporation will be reimbursed out of funds already appropriated for stock-pile purposes under the Strategic and Critical Materials Stock Piling Act. Other nonstrategic materials in short supply in the United States could be secured by the Commodity Credit Corporation in exchange for agricultural surpluses under its regular powers.

Probably the most constructive feature of the program envisioned under this legislation is the use of agricultural surpluses as incentive goods to stimulate production of materials required in the United States which are in world short supply.

At the present time the United States and the world is short of many strategic and critical materials such as natural rubber, tin, manganese, and columbite for making steel, asbestos, mica, shellac, and hard fibers. The United States is deficient in a number of other ores and minerals of which world supplies must be increased to allow a further expansion in industrial plants here and abroad: nickel, tungsten, antimony, bauxite for aluminum, zinc, lead, copper, and many others.

The principal reason for the short supply is that these materials are being produced at a fraction of prewar rates. In most cases production is lagging because the native laborers have little incentive to produce. In countries where these materials are found, the shelves of the stores are almost bare; there is little for which the workers can spend their money; therefore there is no incentive for their working harder or longer.

When copra production was lagging in the South Pacific after the war at a time when there was a serious world short supply of fats and oils and world allocations were in effect to prevent supplies being drained from the United States, the Commodity Credit Corporation entered into an arrangement with the Dutch East Indies using incentive goods to stimulate copra production. The Commodity Credit Corporation first established a general line of credit for the account of the Dutch East Indies to be used for the purchase of incentive goods, primarily cotton textiles. Under the terms of the agreement the credit was to be paid by the Dutch East Indies in

designated quantities of copra or in cash. The result of the scheme was very successful. When the natives realized the goods were available, they went into the plantations and picked up the coconuts. The production of copra was thus increased; the copra was sold and the Commodity Credit Corporation's credit was repaid. In this operation a market was opened for United States cotton since the textiles purchased were made with United States cotton. This market had previously been closed because of lack of foreign exchange.

Similar operations were carried on in the Philippines with incentive goods to increase production.

The Army and Navy Munitions Board has used incentive goods to stimulate production of badly needed commodities in various parts of the world over a period of years and recognizes the importance of such programs.

It is entirely possible that such operations can be carried on through the normal channels of trade once the overall agreement is established. The reason for bringing an agency like the Commodity Credit Corporation into the picture is for the purpose of providing the initial credit to facilitate these transactions. Once the credit with a government agency in another country is established the private trade can then proceed to supply the goods expressly provided in the terms of the credit. The repayment of the credit likewise can be made through the normal channels of trade either by transfer of the commodities or by the sale of the commodities and payment to the crediting agency in cash.

Production of many of these materials mentioned above can be increased throughout the South Pacific, Asia, and Africa with such prime incentive goods. Cotton textiles is one of the best. These loin cloths have always been the medium of exchange in these areas.

While emphasis must logically be placed on exchanges of surplus agricultural commodities which have the greatest value as incentive goods, the program need not be limited thereto.

We expect the program to stimulate distribution of such surpluses as cotton, tobacco, edible oils, grains, and possibly some perishables.

We expect these exchanges will continue to be made through the normal channels of trade to the maximum extent feasible, as provided in section 5 of the Commodity Credit Corporation's charter which Congress passed last year.

This would not restrict the Commodity Credit Corporation from continuing operations of the nature of the Dutch East Indies contract. In fact, this is intended to encourage and strengthen the Commodity Credit Corporation in the distribution of surplus agricultural commodities in the form of incentive goods in exchange for critical and strategic materials which can be transferred to the stock pile or otherwise disposed of.

This specific amendment would broaden the power of the Commodity Credit Corporation to permit the transfer of any critical commodities so acquired to

the defense stock pile and provide reimbursement from the stock-pile funds.

The CHAIRMAN. The time of the gentleman from Georgia [Mr. Brown] has expired.

All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That section 2 of the Commodity Credit Corporation Charter Act (Public Law No. 806, 80th Cong.) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')."

Mr. TALLE. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to speak for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

(Mr. TALLE asked and was granted permission to revise and extend his remarks.)

Mr. TALLE. Mr. Chairman, as I approach this subject which has for so many months been surrounded with an atmosphere of misrepresentation on the part of the administration, I think of the English bobby who, when he arrested a culprit on the streets of London, told him, as he took out his pencil and paper: "Remember, good fellow, everything you say will be taken down, changed, and used against you."

I want to say for my own record that I have always supported the Commodity Credit Corporation. I was in favor of it when it was first established. I have worked diligently and earnestly for it during my years of service in this House. I will match my votes and my efforts with anybody who is a friend of the Commodity Credit Corporation.

The Delaware charter has been mentioned. Everybody knows that a Delaware charter grants very broad powers, but it was a convenient way of setting up the Corporation. Members will remember that until last year the life of the Corporation was temporary, and the Congress repeatedly extended its life for a year or so before its expiration date. I used to jest with the former Secretary of Agriculture, now the junior Senator from New Mexico, about this Delaware charter. I reminded him of what happened under the charters of some of the old limited companies that were started in England in the days when limited companies were just getting under way. Some of those remarkable charters make interesting reading. If there is anything that should be clear in a charter it is its purpose, and some of those old charters used to read: "The purpose or purposes of this charter will be revealed in due time." That is why in the Seventy-ninth Congress we passed a Government Corporations Control Act which required Government corporations to acquire Federal charters before July 1, 1948, in the event they wanted to continue. Accordingly, the House Banking and Currency Committee in the Eightieth Congress proceeded faithfully and painstakingly to write a permanent Federal

charter for the CCC, because it was generally recognized that the Commodity Credit Corporation had done a fine service both before the war and during the war. Orderly marketing was promoted prior to the war. In those days farmers worried about surpluses, not shortages. The CCC served to withhold price-depressing surpluses from the market and thus stabilized farm prices. During the war it performed another service in that it was the vehicle by which we were able to offer farmers incentives to produce much-needed food and to assure farmers a reasonable return for their labors.

The funds of the CCC are not small pickings. The capital stock of the Corporation is \$100,000,000, and if some of it is used up, the Treasury replenishes the deficiency. The borrowing power of the Corporation is its principal source of funds. This amounts to \$4,750,000,000 and is obtained by the issuance of bonds, notes, debentures based on the credit of the United States. In addition to these sources of funds there is a third one. The so-called section 32 funds, which over a period of 15 years have afforded the Corporation much over a billion dollars to work with, is money which is set aside from customs duties and tariffs receipts. So, I say—the funds are not small pickings. The Congress ought to begin to have a little regard for the value of the dollar; a little regard for the taxpayers' money. I believe it is reasonable to say that it is a pretty good idea to have two so-called outside members on the Board of Directors. In reply to specific questions put to the Secretary of Agriculture, he agreed that the two outside members who have served on the board have never at any time created any difficulty for him. He and members of his department constitute a majority of the Board. The outside members cannot defeat his purpose.

The change that is proposed in the pending bill means one-man rule, in the language of the Comptroller General. Many Members remember the distinguished service performed in this Chamber by the Honorable Lindsay C. Warren. It is well to take a look at his statement in the hearings, pages 132-139. It is a very important statement. The Comptroller General warns against making the Board of Directors mere puppets. I realize that when somebody has tasted power he wants more, but if we proceed to make every board member somebody who can be named and fired at the will of the Secretary of Agriculture, why have any board at all?

Another kind of change proposed in this bill brings into use loose language. I invite you, Mr. Chairman, to think back to the OPA days. Remember what a difficult time we had getting some administrators and certainly the Administrator of the OPA to do what the Congress said should be done. That is why I asked the Secretary of Agriculture during the hearings: "Do I understand that henceforth the principle of strict construction will be followed?" The Secretary replied, "I will accept the interpretations of the Department's lawyers."

Mr. Chairman, I want to emphasize as forcefully as I can that the Commodity Credit Corporation has performed

a distinct service in the matter of price supports. This, in my opinion, is the most valuable service it has performed. Farming is a highly competitive enterprise. In times of depression farm products fall first and they fall farthest. Protection against such disaster is a benefit to our entire Nation.

I commend the CCC for its service both before the war and during the war. It has earned for itself a good name. That good name should be cherished, and I join with the Comptroller General, the Honorable Lindsay C. Warren, in his warning against one-man rule. Our Government has always recognized the principle of checks and balances, and no good purpose could be served by departing from it now.

Mr. Chairman, I call to mind what St. Augustine once said: "Man is a creature surrounded by evidence of his weaknesses." That somber fact of human nature explains the atmosphere of misrepresentation to which I referred at the outset.

It was revealing to me to hear the gentleman from Oklahoma [Mr. Monroney] say that the Republicans last fall stepped into a trap. I repeat, that was a most revealing statement. But, I ask, who set the trap? I would suggest that some of our Government officials would earn their salaries more honestly if they attended faithfully to the work they are paid to do and spent no time "setting traps" for Republicans for the purpose of partisan political advantage.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. TALLE. I yield to the gentleman from Minnesota, who has always been a strong and consistent supporter of the Commodity Credit Corporation.

Mr. H. CARL ANDERSEN. Would it not have been far more to the point had the gentleman from Oklahoma, in the interest of agriculture, showed where such a trap existed, so that we could have made a better bill out of it at the time the last Act was passed in June of last year, rather than, as the gentleman from Oklahoma admitted, to set up a trap in which to catch people for partisan political purposes?

Mr. TALLE. I agree with the gentleman from Minnesota. The statement was a stunner to me, because I have faith in my colleagues and I want to preserve my faith in my Government.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last two words.

(Mr. H. CARL ANDERSEN asked and was given permission to revise and extend his remarks.)

Mr. H. CARL ANDERSEN. Mr. Chairman, on last June 18, when we passed the Commodity Credit Charter Act, I personally urged upon members of the Committee of Banking and Currency, Members on my side of the aisle, to take out of the bill certain language which did restrict to a certain extent the Commodity Credit Corporation power in securing new sites for storage. I feel that our party erred in bringing that bill up

in the closing days of the session when, with all the other pressing matters before us, sufficient time could not be given to the proper consideration of this particular act. But, at the same time, there was fault upon the other side of the aisle. Not once did I hear any Member on the right during the special session, when we were here 3 weeks during last August, say that there was anything wrong with this particular act. I did hear of the politically inspired misstatements made by the President of the United States in October.

On October 12, the President said in part at Danville, Ill.:

I was down in southern Illinois the other day, and corn down there in southern Illinois was selling for \$1 a bushel, and the support price of corn is \$1.47 a bushel. Farmers all over the country are being forced to dump their grain as distress grain, or let it rot on the ground, because the Commodity Credit Corporation no longer has the power to provide emergency storage space for bumper crops. That is the Republican's program, pure and simple. The farmers cannot get the Government support price, because their crops are not in storage.

Now remember he made this statement on October 12, very early in the harvesting season for corn.

I excuse the President because of his obvious ignorance as to the true situation. First, practically no corn was harvested by October 8 or 10. Secondly, the moisture contents of the bulk of the corn through that area at the time was too high to qualify that early for sealing.

There was no reason, except too much moisture, why any farmer could not put up his own slat crib on a floor a foot from the ground, crib up his corn, put a cheap roof over it, and apply for a loan. By thus qualifying, with moisture contents not over 20½ percent, any farmer could seal his corn. In my part of Minnesota the Commodity Credit advanced me \$1.36 per bushel for the corn thus sealed. Why did the President not tell this side of the picture? Certainly corn which was not sealed did sell at \$1 a bushel or less, but not because of any action by the Eightieth Congress. Old Mother Nature just put too much moisture into that corn. Yes, let us remember in the consideration of this particular bill that there are faults on both sides, ladies and gentlemen. This Commodity Credit Corporation is far too valuable to the farmers for us to drag it through the mire of politics and destroy it. I want to say here that I think we will make a mistake unless we agree with the action taken by the committee in regard to the control of the Corporation. We should, in my opinion, keep control of the Commodity Credit Corporation in the hands of one man, and that one man should be the Secretary of Agriculture. And for what reason? We in Congress want to hold some one man responsible, and unless we do give him the authority to do the job; unless we do give him the undivided authority to do a good job, I, as ranking Republican member of the Subcommittee on Appropriations for Agriculture, cannot hold him responsible. He must report to us as to his operations and he must, in the final analysis, be responsible to

Congress. I do not want divided authority upon that particular Board. I want it ready to operate quickly when needed and able to reach decisions quickly. I know that the Commodity Credit Corporation did a good job from 1938 on, and I personally want to help it continue to do that good work, gentlemen. It has meant too much to me as a farmer to hinder or handicap in any way. Let us be big enough to admit that there were faults on both sides of this House. Let us try to do something worth while in this bill. Let us put grain-storage facilities out in the little towns and villages throughout the West, where it is needed. Let us give to the farmers the opportunity to secure credit at a low rate of interest to build storage facilities on their farms instead of forcing huge quantities of grain to go in at one time to the big terminals and instead of trying to hunt through all of America to find enough freight cars to haul it in at one time. I repeat, let us put that grain-storage space out where it belongs, and let us make loans at a decent rate of interest to the farmer and give him the opportunity to construct those facilities right upon his own farm. I understand that the bill now under consideration is broad enough in powers to do all of this. I have been assured that it is.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. I yield to the gentleman from California who has proven himself always a friend of the farmers of the Nation.

Mr. PHILLIPS of California. I would just like to say that an amendment to cover the point the gentleman is now discussing will be offered.

Mr. H. CARL ANDERSEN. I thank the gentleman and hope his amendment will be agreed to, so that there will be no question such authority is in the bill. In closing, let me again urge the support of this bill. The Commodity Credit Corporation has meant millions of dollars to agriculture. It is the heart and soul of the entire farm price-support program for which I personally have fought for 11 years on the floor of this House. The gentleman from Iowa [Mr. TALLE], who just preceded me on the floor, expressed better than I could the need for strengthening the Commodity Credit Corporation. The gentleman from Iowa [Mr. TALLE] has always aided in this program, and I join with him in urging the passage of this very worth-while measure.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

(Mr. CHRISTOPHER asked and was given permission to revise and extend his remarks.)

Mr. CHRISTOPHER. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. CHRISTOPHER. Mr. Chairman, I want to discuss this bill, H. R. 2682, for a short time. First of all I want to say that the gentlemen on the left-hand

side of this House amuse me sometimes. You know, I hate to see this thing made a political issue. It is not a political issue. It is an issue that concerns the left-hand side of this House just the same as it does the right-hand side of this House. But, some of the gentlemen on the left-hand side of the House remind me of a little Irish girl that used to go buggy riding with me back in the days of my youth when my heart was as free as any bird and life was a glorious dream of flowers. You know, if I would kiss that little Irish girl she would slap me, and if I did not, she would dare me to. That is the way with the gentlemen on the left-hand side of this House. If we remind them of the mistakes of the Eightieth Congress they go off and pout about it, and if we do not, they get up here and dare us to. They have been doing that yesterday and today. That is the similarity.

To get back to discussing this bill, the gentleman who just left the floor here was talking about liberty. We had a lot of liberty from 1920 to 1933, when the Commodity Credit Corporation took over. Liberty to produce food and fiber and sell it for less than one-half the cost of production. Liberty to go broke. Liberty to have our homes sold at the east front door of the courthouse. I do not like that kind of liberty.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. No; I cannot yield.

Mr. H. CARL ANDERSEN. Just to correct the gentleman's statement? I know the gentleman does not want to leave the wrong impression.

Mr. CHRISTOPHER. I stood here in the well of this House and begged one of the gentlemen on that side to yield and he would not do it.

Mr. H. CARL ANDERSEN. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. H. CARL ANDERSEN. Mr. Chairman, I make the point of order that the gentleman referred to the gentleman who had just left the floor as making certain remarks relative to liberty. As I had made personally no such remarks, I have attempted through this point of order to call it to the attention of the gentleman from Missouri.

The CHAIRMAN. The gentleman does not state a point of order.

Mr. CHRISTOPHER. What is it that this bill now before us, H. R. 2682, does? Let us get it straight and remove all verbosity and get right down to the bottom and see what we are trying to do here today. The only thing we are trying to do here today is to give the Commodity Credit Corporation power to function. That is all we are trying to do. We are trying to give the Commodity Credit Corporation, as far as the farmer is concerned, the right to buy, build, or lease storage for surplus grain. Who can object to that?

Maybe some of the gentlemen could object to it who objected to all the farm program. If you want to make it political, the Commodity Credit Corporation is a part of the New Deal. There is no

use to deny it. I am going to stand up here and admit it. That is exactly what it is.

I heard a Republican orator say last fall that he hoped to live long enough to see the New Deal so completely erased that there would not be so much as a smudge on the consciousness of the American people to remind them that such an abomination had ever existed. That kind of a man might object to giving the Commodity Credit Corporation the power to do the thing it was created to do. I hope we do not have that kind of man in this House and I trust that the vote will show we do not.

What is the use to tell a man to go out in the woods and kill a bear and tell him at the same time that he cannot have anything but a crossbow to do it with? It does not make sense to me. We are asking the Commodity Credit Corporation to do a job, and we are also asking the Secretary of Agriculture to stabilize prices. Of course if he stabilizes those prices at 60 percent of parity, where some of the gentlemen on the left-hand side of this House want it stabilized, he probably will not need any help. That 60 percent of parity proposition comes from the same side of the House as that which does not want to give the Commodity Credit Corporation power to lease grain storage.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. Let me ask the gentleman a question as long as he is up here. Did the Commodity Credit Corporation during September, October, and November of last year have the power to buy or build storage for corn? Tell me, did it?

Mr. JENSEN. The gentleman from Michigan [Mr. WOLCOTT] has examined this subject in committee for all these years, and according to his testimony, and I do not question it, and I doubt that anyone on this floor who knows him would question it, they did have. I am going to take his word for it.

Mr. CHRISTOPHER. I thank the gentleman.

Mr. JENSEN. Since the gentleman has brought up this 90-60 sliding scale, as a gage for support prices on farm products, to which I am opposed just as much as he is, I would like to have him read the article which I put in yesterday's RECORD which will prove to him that I am opposed to it.

Mr. CHRISTOPHER. I thank the gentleman. I am very glad to hear that he agrees with me there.

Mr. JENSEN. I want to remind the gentleman who wrote that bill. It was written by the Department of Agriculture in collaboration with the labor bosses and was sold to the top heads of the farm organizations. It was not a Republican bill. The House of Representatives whipped it. We whipped it in the House and it never passed the House.

Mr. CHRISTOPHER. Did the Eightieth Congress pass it, or did it not?

Mr. JENSEN. Yes, they did.

Mr. CHRISTOPHER. All right, then; I hope I may continue. I only have a few seconds.

Mr. JENSEN. But it was the work of the Department of Agriculture and your President and mine signed the bill.

Mr. CHRISTOPHER. Yes, and the President signed it under protest saying that it was no good.

Mr. JENSEN. I think he was right.

Mr. CHRISTOPHER. I thank the gentleman.

Mr. JENSEN. I think he was right for once.

Mr. CHRISTOPHER. Your work has just started, sir, you have a lot of missionary work to do in your own party.

Mr. JENSEN. My friend, I have been here for 11 years working.

Mr. HAYS of Ohio. Mr. Chairman, will the gentleman yield?

Mr. CHRISTOPHER. I yield.

Mr. HAYS of Ohio. Is not the name of the bill that you are talking about which was passed by the Eightieth Congress the Hope-Aiken bill?

Mr. CHRISTOPHER. Yes; that is the very bill I do not like, and the Lord only knows how much I do not like it.

Mr. JENSEN. But it was not the Hope-Aiken bill, it was the Aiken bill, the Agriculture Department bill, the labor bosses' bill.

Mr. CHRISTOPHER. Mr. Chairman, if I may continue, I want to say right here that the labor boys are interested in this bill. Anything that interests the American farmer or is for the good of the American farmer is for the good of the American laboring man. When the American laboring man gets up in the morning he wants his breakfast. Who furnishes it to him? The American farmer furnishes it to him. What was the American laboring man doing when I was selling my wheat for 35 cents a bushel? He was riding in freight cars and tramping the sidewalks all over the United States because he was out of a job. Any time the price on the American farms goes down so that 30,000,000 farm people do not have a good purchasing power, then labor has no job and they have no purchasing power. The farmer and the American laboring man are just like two peas in a pod. What is good for one of us is good for the other. That is the reason why last week I voted to repeal the Taft-Hartley law. I hope we can get that done. That is why I am fighting the Aiken farm bill. A gentleman came to me a while ago and said, "You voted wrong, you voted against your farmers the other day when you voted to repeal the Taft-Hartley law."

I said, "Brother, the thing that is going to hurt labor worse than anything else in these United States is when we reach the point where they can again buy food at the prices which existed in 1932."

That was the greatest calamity which ever happened to labor or which could ever happen to labor. Thirty-five-cent wheat does not feed the laboring man because they have no money to buy it when wheat sinks to that level. So far as this corn and wheat business is concerned, out in my country last fall corn was hauled to the elevators and they drove the price down to \$1 a bushel for

good yellow corn when it had a loan value of \$1.46, because the Commodity Credit Corporation could not lease terminal storage facilities. That is exactly what the trouble was. It is no use for you boys over there trying to alibi.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. HOPE. Mr. Chairman, I move to strike out the last word.

(Mr. HOPE asked and was given permission to revise and extend his remarks.)

Mr. HOPE. Mr. Chairman, there has been a great deal said in the course of this debate about what happened in the campaign last fall. Perhaps too much has been said about it. I did not know that I would say anything about it at this time, but others have referred to my criticism of the bill to grant a charter to the Commodity Credit Corporation when it was before the House last June, and perhaps some Members have gotten the impression that my remarks at that time were along the same line as the criticism of the President and other Democratic speakers during the campaign. That, however, is not the case.

I felt that the bill as reported by the committee was defective, in that it did not give the Commodity Credit Corporation sufficient power to acquire storage facilities in which to store grain taken over from farmers. I also felt that the provisions which set up a separate board were such as would prevent the Secretary of Agriculture from carrying out the functions and duties which had been given him under the various price-support laws. That is still my position.

I think that the bill that is before us now does take care of both of those situations, and as far as I am concerned, it is satisfactory and I am supporting it. I am not saying that I may not vote for amendments which may be offered to the bill, but as far as those two matters are concerned, I am satisfied with the provisions in the bill as reported by the committee. So much for the measure before us. It is a good bill and should pass without serious opposition.

Now, referring to the campaign of last fall, and I do so only for the purpose of keeping the record straight, I want to say that I do not think that responsibility for any shortage of grain storage last fall can be placed upon the Republican Party or the Eightieth Congress. I call attention to the fact that all of this political discussion was precipitated by a statement which the President made at Dexter, Iowa, in a campaign speech in which he said, referring to the problem of grain storage:

When the Democratic administration had to face this problem in the past, the Government set up grain bins all over the Wheat and Corn Belts to provide storage.

Now the farmers need such bins again. But when the Republican Congress rewrote the charter of the Commodity Credit Corporation this year, there were certain lobbyists in Washington representing the speculative grain trade.

These big-business lobbyists and speculators persuaded the Congress not to provide storage bins for the farmers. They tied the hands of the administration. They are pre-

venting us from setting up the storage bins that you will need in order to get support prices for your grain.

The President's statements would imply that he thought that the Commodity Credit Corporation had in the past furnished facilities to farmers for the storage of their own grain. If so, the President was mistaken because the Commodity Credit Corporation had never, up until that time or since, furnished storage to farmers in which to store their grain while it still belonged to them. The Corporation did have facilities in which to store grain, after it was taken over at the maturity of the loan and thus became the property of the Corporation. But never had it furnished the farmers bins in which to store their own grain.

There was a serious shortage of grain storage last summer and fall but any action to relieve that shortage would necessarily have had to be taken months before—in fact long before the passage of the Commodity Credit Corporation charter bill in June, because the 1948 wheat crop was already being harvested at that time. Now no one contends that the CCC did not have ample authority to furnish storage to farmers prior to July 1 when the new charter became effective. Yet with big crops coming on and a serious situation looming up no action was taken by the CCC to meet the problem, which action would, of course, have had to be taken long before July 1 because it takes months to construct storage. It was too late to initiate any action after that time.

So certainly, if there is any responsibility for the lack of grain storage last fall, it is the responsibility of the Administration which was in power and which was operating until the 1st of July, under the Commodity Credit Corporation charter, granted under the Delaware law and containing no restrictions on the acquisition of storage. But in 1948 as in previous years neither the CCC nor the Department of Agriculture made any effort to furnish storage to farmers.

The CHAIRMAN. The time of the gentleman from Kansas [Mr. HOPE] has expired.

Mr. HOPE. Mr. Chairman, I ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. O'HARA of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. O'HARA of Minnesota. I wish to call the gentleman's attention to the fact that while it is true that there was storage difficulty last fall, yet during the past 6 or 8 years in different parts of the country, that same shortage of storage existed? Is not that true?

Mr. HOPE. That is true, at least during the last 5 or 6 years. It has existed ever since we have been having these unusually large crops of grain, and it will probably continue to exist, although during these years with or without the help of the Commodity Credit Corporation we have seen an increase in all types of grain storage, especially on the farms

and at country marketing points, and we have in this country today a greater amount of over-all grain storage than we have ever had in our history. We are better able to take care of the situation than we have ever been. Nevertheless, I expect that this fall we shall still have a shortage in farm storage, and there is nothing that can be done between now and harvest time that will entirely meet that situation. I am certainly in favor of anything that can be done to provide more storage on the farm. Under the provisions of the Commodity Credit Corporation charter and the bill we have before us, the Commodity Credit Corporation will be able to make loans to farmers if they are needed with which to set up storage on the farms. They will be able to make loans to cooperatives so they can erect more storage; they will be able to make loans to the private grain trade if needed in order to furnish more storage, so that we should in any event have some alleviation of this situation. But let me point out that if this is done it will be for the first time, although the CCC had ample authority to furnish the same for almost 15 years since July 1, 1948. But we are not going to go into this fall with full relief of the shortage of storage, nor is there anything we can do between now and fall to bring about full relief.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. JENSEN. We all know that the gentleman from Kansas has worked diligently and honestly for sufficient storage for these commodities. We also know that the gentleman has always been for the 90 percent of parity supports on basic farm commodities. Is it not a fact that the gentleman who is now addressing this House, who was chairman of the Committee on Agriculture during the Eightieth Congress, fought to the last ditch and to the last minute the morning that we adjourned on June 20 of last year, to hold the 90 percent of parity support prices on farm commodities?

Mr. HOPE. Yes; I will say to the gentleman that all the House conferees held out to the very last for the House version of the bill which extended 90-percent price supports for an additional year. We accepted the Aiken bill only when it became apparent that if we did not yield there would be no extension of price supports for the year 1949; and we yielded, of course, with the understanding that the Aiken bill would not go into effect until January 1, 1950, and that the Eighty-first Congress, no matter what its political complexion might be, would have an opportunity to reconsider the matter.

Mr. Chairman, I ask unanimous consent to proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HOPE. Mr. Chairman, I may say, and I am only saying it because the question was raised by the gentleman from Missouri, that as far as the so-called Aiken bill is concerned, it is based upon a program presented by the distinguished

then Secretary of Agriculture, Mr. ANDERSON, and other officials of the Department of Agriculture. If anyone has any doubt about the matter all he needs to do is to read the hearings before the Senate committee on the Aiken bill. It was not a partisan measure at all but one worked out by the Department of Agriculture and the Senate Committee on Agriculture as well as leaders of some of the farm organizations.

The CHAIRMAN. The time of the gentleman from Kansas has again expired.

Mr. WHITTEN. Mr. Chairman, I move to strike out the requisite number of words and ask unanimous consent to proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

(Mr. WHITTEN asked and was given permission to revise and extend his remarks.)

Mr. WHITTEN. Mr. Chairman, the problem before us now is not so much to settle the issue as to who was responsible for the inadequate storage facilities last fall which forced so many grain farmers to sell corn well below the support price, as to be sure that we make proper provision in the present law so that the situation will not occur again, either in wheat, corn, or cotton.

Several Members from the cotton areas of the country say that they have had telegrams and letters from those in the warehousing business requesting that we prohibit the Commodity Credit Corporation from leasing, buying, or providing warehousing for cotton. These gentlemen in the warehousing business are interested in their businesses and would not like to see any encroachment by the CCC upon private enterprise. I can appreciate their feelings. But this is no attempt to permit the Commodity Credit Corporation to take away their business and to replace private enterprise in this field. Should the facilities furnished by private enterprise be insufficient and if farmers are to be deprived of price support as a result, certainly the Commodity Credit Corporation should be permitted to provide storage where private enterprise has not done so. To those Members I may say that we have had periods of shortages in warehousing before. It has only been a year or two since we had cotton stored out in the open in Alabama, Mississippi, Oklahoma, and in certain other areas, and lawsuits were brought by the Commodity Credit Corporation for damage to that cotton. I mention that not with the thought that in my opinion the Commodity Credit Corporation should go out and provide storage to replace that of private industry or to build more than is needed, or even enough, to be sure that you can meet any contingency that might arise, but I mention this in order that you may know that under some circumstances it is highly important if the people of this Nation are to have the benefits of these price-support programs, that we have adequate storage so that those crops can meet the conditions necessary for the farmers to get the loans.

Otherwise the price-support programs we have passed in the Congress are of no help to the men who cannot qualify for the loan because he cannot get his commodity into a warehouse.

While I think it is highly important that the Commodity Credit Corporation have this authority, in my opinion, the provision offered by my friend, the gentleman from Georgia, providing that the Commodity Credit Corporation must find that there is insufficient storage, is really important. While the CCC should have this authority, they should exercise it most cautiously. We will have the opportunity to see that they do not abuse this power but that they exercise it most cautiously. They must come before the committee of which I have the honor to be chairman, the Subcommittee on Agricultural Appropriations, each year where we fix the limit on their administrative expenses and restore any capital impairment of the Corporation. When the Commodity Credit Corporation appears before our committee each year to fix the administrative expenses of the Corporation, it will be the simplest thing in the world, if they do take undue advantage of this provision of the law, for our committee to write a limitation into the bill that none of these administrative funds could be used for those purposes. Since we will have that review each and every year, I do not believe there is any real reason to fear that the Commodity Credit Corporation will take any unfair advantage of such provision.

Now there is another provision in this measure which I think is probably more important. I have supported the farm price-support program since I have been in Congress. As chairman of the subcommittee on agricultural appropriations, I have sponsored the providing of funds to support farm prices at 90 percent of parity, yet that is not the whole answer. We must move our surpluses. This bill makes a move in that direction. It provides that the Commodity Credit Corporation may exchange, if you please, some of the commodities that it has on hand and which are surplus to our domestic needs to foreign countries for strategic materials that this country may need. In my judgment, one of the chief weaknesses of Secretary Brannan's recommended program, and the main weakness with so many of our agricultural programs, is that too many people believe that if we just have high-price supports, with crop controls to cut down on our crops until we use up whatever supply we have on hand, that we have answered the problem, the farmer would be prosperous and the Nation economically sound. That is not true. That is slow strangulation. If we give up our foreign markets that have been ours throughout the years, and produce only to meet our own needs, we are bound to fail. I am for this bill, I am for adequate storage, but if anybody believes that by adequate storage, high support prices and controls, that the country will be prosperous and that the farmers will be prosperous, we are just kidding ourselves. Yet, that is the theory and the theme that goes through the various programs offered to

us, including the present law and the proposals of the Secretary of Agriculture.

No; I am afraid that the Department of Agriculture, so far as foreign trade is concerned, has too weak a voice in foreign trade and in trade agreements, and for that reason there is too little exportation of surplus agricultural commodities. A few weeks ago I introduced a bill to which I hope this fine Committee on Banking and Currency will give some attention, H. R. 3486. It would place the Secretary of Agriculture on the Advisory Board for the International Monetary Fund, and further it makes him a member of the Advisory Board for the Import-Export Bank so that he will have a stronger voice in the exportation of our surplus agricultural commodities through this connection with those programs. A few weeks ago we managed to save, in the agricultural appropriation bill from my committee, section 32 funds, approximately \$125,000,000, being 30 percent of customs receipts on products coming into this country, to help meet the problem of surplus products. A day or two ago I introduced H. R. 4493, a bill which would require the Secretary of State and the Federal Government to give special attention to surplus agricultural commodities in the working out of reciprocal trade agreements. That measure is pending before the Ways and Means Committee and I hope will have favorable consideration. We must give attention to the fact that we have got to sell that which we do not need for whatever we can get for it, and we cannot have a prosperous nation or agriculture by piling up in our warehouses these crops and cutting down production until we eat up what we have on hand. Such a policy could mean no crop would be produced in some years. This year we will have a big production of cotton. We could have a year's supply on hand at the end of this year. Do you mean to say that we should cut out all production next year? Do you want to do that with corn? Of course, you do not. Yet, it was only a few years ago that the Secretary of State of this great Nation, before a congressional committee, I believe the committee was headed by the gentleman from Georgia [Mr. PACE], opposed the sale of surplus agricultural products to foreign countries for less than the support price in our country. In other words he would not have sold our surplus at all because such commodities could be bought elsewhere for less than our support price.

I am saying to you that we need adequate storage. We need to pass the measure before us because we need to authorize the Commodity Credit Corporation to do whatever is necessary to let all our people come under our farm price-support program. But, that is not the whole answer to our present problem. Unless we insist on the Department of Agriculture demanding our fair share of foreign markets, and unless we sell that which we produce and which we do not need but which the people of the world are crying for, unless we sell that for what we can get for it, we are in for serious trouble, and that applies not only

to agriculture, but to labor, and the very economic well-being of the Nation is involved.

I say to you, let us provide this storage, but when we put those commodities in storage, if we do not need them, let us see to it that they are sold for cash if possible, but exchanged for commodities we may need if necessary. We must get away from any program which would cut down or cut out production of a given commodity until we use up what we have on hand. Our country was made great by reason of its great productive capacity. We have produced for our own needs and sold the balance to the nations of the world who need it—for what they could pay—either in cash or in other products we need. We must return to that practice, to do otherwise is to lose our foreign markets and could return our Nation to the terrible conditions of 1930-32—when the farmer could not get half his cost of production and the consumer could not get half enough to eat.

Mr. CASE of South Dakota. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I would not have entered into the debate at this time except for the fact that there has been so much talk about who killed cock robin. Personally, I think the most important problem here today is to meet the legislative situation—to deal with commodity storage. But, in view of all that has been said as to who was responsible for the break in prices or the decline in prices last fall, it might be just as well to have the record complete.

I hold in my hand here a copy of Public Law 897 of the Eightieth Congress. This is the so-called Hope-Aiken Act. This was probably the last act of the Eightieth Congress of the regular session last year. It was approved on the 3d of July 1948. Many people have forgotten what that act says.

I read from section 1, the very first sentence:

Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed through any instrumentality or agency within or under the direction of the Department of Agriculture, by loans, purchases, or other operations—

(a) To support prices received by producers of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1950—

• And so forth.

The price support authorized by this subsection shall be made available as follows:

(1) To cooperators at the rate of 90 percent of the parity price for the commodity as of the beginning of the marketing year.

Most of this discussion has proceeded on the assumption that the only authority of the Secretary of Agriculture was to provide for 90 percent of parity by loans. This whole argument about storage has revolved about the loan feature. That would be amending the law to read that—

Notwithstanding any other provision of law, the Secretary of Agriculture is authorized and directed through any instrumentality or agency within or under the direction of the Department of Agriculture, by loans to support prices.

But that is not what the law says. The law directs the Secretary "by loans, purchases, or other operations to support prices."

Those who are familiar with the trend of prices and the trend of purchasing by the Department of Agriculture last year will recall that the Department of Agriculture and the Commodity Credit Corporation were in and out of the market. In my opinion, they never fulfilled the specific directive of the Congress that they should support 90 percent of parity by loans, purchases, or other operations.

Those of you who are familiar with the way the purchasing program was handled for ECA will recall that the Commodity Credit Corporation and the Department of Agriculture did not carry out the directive to support the 90 percent program by purchases. I am familiar with the fact that in the ECA law there was a prevailing price amendment, but at the same time that antedated the Hope-Aiken Act, and the Hope-Aiken Act started with these words, "Section 1. Notwithstanding any other provision of law," so clearly the responsibility rested upon the Department of Agriculture and the Secretary of Agriculture to support 90 percent of parity for the crops of cotton, wheat, corn, tobacco, rice, and peanuts marketed before June 30, 1950.

Now, who did kill Cock Robin? If the Secretary of Agriculture had carried out the specific directive placed upon him by law, he would not have been relying merely upon a loan program and falling back on that when he found that the situation was going to pot.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from Tennessee.

Mr. SUTTON. If the gentleman will realize that that is title I of the Agricultural Act of 1948, I do not think any Member of Congress will disagree with that, and the House was in accord with that on that section; but if the gentleman will go a little further, to title II, about which there is much controversy, and which I personally hope is repealed, he will find that the Aiken section of the Agricultural Act of 1948 disregards the section the gentleman has just quoted.

Mr. CASE of South Dakota. But title II is not effective this year, however, and it was not effective in 1948, when the "Robin" got into trouble. The so-called Aiken section of the bill was purposely made not effective until 1950 so that the postwar picture could develop more clearly and title I which I have cited was the law in the fall of 1948 and still is the law.

Mr. MULTER. Mr. Chairman, will the gentleman yield?

Mr. CASE of South Dakota. I yield to the gentleman from New York.

Mr. MULTER. I thought the gentleman was going to help point up the issue before us, but I do not think he has. The law he has been quoting does not concern the subject matter under discussion, which is subdivision (h) of the Commodity Credit Corporation Charter Act. That is what we are trying to correct here.

Mr. CASE of South Dakota. All the gentleman is pointing out is that we are dealing with the Commodity Credit Corporation law, of course, and it relates to the problem of storage, which is a part of any loan program. The directive to the Secretary to support 90 percent of parity was given in the portion of the law I have cited. The responsibility for supporting prices was placed upon the Department of Agriculture and the Secretary of Agriculture in this act, the Hope-Aiken Act, and it was not limited to loans. It said "by loans, purchases or other operations" and "notwithstanding any other provision of law." The price drop cannot be charged to failure of the loan program alone—the fault lay in not carrying out the full law. Nobody can gainsay that fact if they read the law.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

[Mr. AUGUST H. ANDRESEN addressed the Committee. His remarks will appear hereafter in the Appendix.]

Mr. WHITE of California. Mr. Chairman, I move to strike out the required number of words.

Mr. Chairman, I want to dwell a little further on this controversy about grain storage. So far nobody, so far as I know, has pointed out what President Truman really said on July 3, 1948, in regard to this matter when he signed S. 1322. Here is a quotation from President Truman's exact words:

S. 1322 also prohibits the Commodity Credit Corporation from continuing its long-standing policy of leasing or acquiring land where necessary for storing commodities as close to the farm as possible. This restriction will mean that the Corporation will have to ship grain for livestock feeding, for example, from farms to distant points for storage, and then later to ship it back again to farm areas. This will obviously increase costs for carrying grain reserves. Only those special interests who will make money by unnecessary handling of grain will profit from this provision—which will in the end be paid for by farmers and consumers.

Those are the words of the President of the United States on July 3, 1948, at which time there was plenty of time for the Eightieth Congress to rectify this situation.

So much for that.

The gentleman from Minnesota [Mr. AUGUST H. ANDRESEN] just finished saying that the United States taxpayer has provided money to Great Britain for Marshall plan relief, and that the money was spent in Canada. I hope the gentleman will bear in mind that the authorization for the money and the final purchase of the commodity itself presents a wide range of time between the authorization and the fulfillment. At the time of the authorization we were faced with inflation in this country and people were crying about prices going up. So naturally we allowed the British to buy the commodities where it would not affect us adversely at that time by causing further inflation. Since that time we have had a fall in the general price level, and of course the gentleman from Minnesota comes along and makes a monkey

out of the administration by the changing conditions and the change in time.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. WHITE of California. I yield.

Mr. AUGUST H. ANDRESEN. Let me say to the gentleman all of this purchasing occurred since April 3, 1948, and up to the present time; and the same policy is going on today. Even some cotton is being purchased in other countries, when cotton surpluses are occurring here.

Mr. WHITE of California. Those purchases were made under the authorization made by the Congress quite awhile ago, I call the gentleman's attention to the fact that the high in commodity prices was reached in this country in the fall of 1948, shortly after the recent election.

Mr. AUGUST H. ANDRESEN. Oh, the gentleman is mistaken on that. The high on wheat was reached in December.

Mr. WHITE of California. I am speaking about the average of commodities; not any particular one. I will buy the gentleman the best lunch in town if he proves that is wrong.

Mr. AUGUST H. ANDRESEN. But after November 1948 we had a 20- to 30-percent drop in farm prices.

Mr. WHITE of California. But these authorizations were made a long time ago. You cannot change them in 5 minutes.

Mr. AUGUST H. ANDRESEN. In spite of the President's statement that he was going to give them low prices.

Mr. WHITE of California. That is the gentleman all over—making it political.

The CHAIRMAN. The time of the gentleman from California [Mr. WHITE] has expired.

Mr. HOEVEN and Mr. SPENCE rose.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE], chairman of the committee.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 10 minutes.

Mr. SCRIVNER. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on section 1 and all amendments thereto close in 10 minutes.

Mr. HOEVEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOEVEN. The gentleman from Iowa has been on his feet here for the last 20 minutes seeking recognition. I wish to know whether I am going to have any time to speak on this bill at this time.

The CHAIRMAN. The Chair assures the gentleman that the Chair is aware of the fact that the gentleman has been on his feet seeking recognition, but the Chair has been trying to alternate recognition between the right and the left. The Chair had just reached the gentleman from Iowa and had started asking for what purpose he rose when the chairman of the committee rose, and under the precedents of the House was entitled to recognition.

Under the motion of the gentleman from Kentucky the limit of debate on

this section would be 10 minutes. If that motion is agreed to the Chair will take down the names of Members standing and equally divide the time.

Mr. WOLCOTT. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WOLCOTT. I understand that there are amendments pending on the desk to section 1. I have an amendment at the desk to strike out section 1. The parliamentary inquiry is: If the gentleman's motion prevails what would be the situation in respect to other than pro forma amendments? Will we be given any time in which to discuss them?

The CHAIRMAN. The Chair will state that if the motion made by the gentleman from Kentucky is agreed to, all debate on the section and all amendments to the section will be limited to 10 minutes. The Chair will state, however, that the time taken to read the amendments will not be taken out of the 10 minutes which would be allotted for debate.

Mr. WOLCOTT. I understand the ruling of the Chair to be that the time needed to read the amendments to section 1 at the Clerk's desk will not be taken out of the 10 minutes.

Mr. SPENCE. Mr. Chairman, I ask unanimous consent to withdraw my motion.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. SPENCE. Mr. Chairman, I modify my request and now ask unanimous consent that all debate on section 1 and all amendments thereto close in 30 minutes, that the committee have the concluding 5 minutes.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Under the consent request of the gentleman from Kentucky, the time would be limited to 30 minutes. There is nothing in the request as to a division of that time. Under the rules, therefore, would not the first Member recognized be entitled to 5 minutes and each succeeding Member recognized be entitled to 5 minutes until the 30 minutes was used up? In other words, during the reading of a bill for amendment under the rules of the House, unless other arrangement is made by unanimous consent, each Member as recognized is entitled to 5 minutes.

The CHAIRMAN. As a matter of parliamentary fact, while it might perhaps be within the discretion of the Chair, if the rules were insisted upon the Chair would have to recognize the first Member for 5 minutes, and other Members likewise. But it has long been the practice of the Committee of the Whole when a limitation of debate is imposed to divide the time equally between the Members seeking recognition.

Mr. MICHENER. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. I appreciate the Chair's ruling. The Chair has stated the proposition just as I understood it.

The CHAIRMAN. Such a consent request is generally linked in with a division of the time between Members seeking recognition at the time the request is submitted.

The gentleman from Kentucky [Mr. SPENCE] asks unanimous consent that all debate on section 1 and all amendments thereto be limited to 30 minutes, with the last 5 being reserved for the committee.

Is there objection?

Mr. SCRIVNER. Mr. Chairman, I object.

Mr. SPENCE. Mr. Chairman, I move that all debate on section 1 and all amendments thereto close in 35 minutes, and that the concluding 5 minutes be assigned to the committee.

Mr. CASE of South Dakota. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state the point of order.

Mr. CASE of South Dakota. The point of order is that the Committee of the Whole cannot assign time under a motion like this.

The CHAIRMAN. The gentleman's point of order is sustained.

Mr. MICHENER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MICHENER. Mr. Chairman, if the gentleman from Kentucky were to ask unanimous consent that all time on this amendment be limited to 35 minutes, the last 5 minutes to be used by the committee and the remainder of the time to be equally divided among those standing, then he might avoid trouble; am I correct?

The CHAIRMAN. The Chair is unable to answer the gentleman.

Mr. SPENCE. Mr. Chairman, I move that all debate on section 1 and all amendments thereto conclude at 3:30 and that the time be equally divided among those Members who asked for time and that the last 5 minutes be assigned to the committee.

Mr. CASE of South Dakota. Mr. Chairman, the same point of order. The Committee as a Whole cannot allot time that way. That is in the discretion of the House of Representatives and not the committee. It must be by unanimous consent.

The CHAIRMAN. The point of order is sustained.

Mr. SPENCE. Mr. Chairman, I move that all debate on section 1 and all amendments thereto conclude at 3:30.

The CHAIRMAN. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. O'SULLIVAN].

Mr. O'SULLIVAN. Mr. Chairman, it was rather interesting today to listen to the fine Republican campaign speeches which were made here on the floor of the House. If those speeches had been made by them during the campaign out in my district, and elsewhere, I am sure all of us would have had a better under-

standing of this particular Commodity Credit Corporation bill passed by the Eightieth Congress and more Republicans would have been defeated at the last election. But, alas, the message came too late. To argue the political issues here at this time is a good deal like arguing a case to a part of the jury after that jury had returned a verdict and sentence has been pronounced by the court. It was a useless and idle gesture.

Now, there has been a great deal of talk here about who was responsible for not having storage bins so as to take care of oncoming crops. I want to call the attention of the committee to paragraph (h) of section 4 and I want to read that section to you right now:

SEC. 4. (h) May contract for the use, in accordance with the usual customs of trade and commerce, of plants and facilities for the physical handling, storage, processing, servicing, and transportation of the agricultural commodities subject to its control.

That certainly was a specific grant.

The balance of the paragraph was not noticed by some of the speakers who have taken the well of the House in order to speak on the proposed bill. This proviso was overlooked entirely by them and it served their purpose admirably to do so:

Except as provided in section 16, the Corporation shall not have power to acquire or lease any such plant or facility or to acquire or lease real property or any interest therein except that it may rent or lease office space necessary for the conduct of its business and it may continue to lease (by renewing or extending existing leases or entering into new leases) property leased by it on the date of the enactment of this act.

Now, that takes the specific grant away, does it not? I suppose when that provision was placed in the law the party responsible for it had been reading the Bible and when he got to that part which said: "The Lord giveth and the Lord taketh away," he thought of the proviso taking away the specific grant. That is just what happened, I believe, or am I wrong in assuming that the proviso writer was a Bible-reading man?

In any event a grant was given in one paragraph and it was taken away in the next paragraph, so the responsibility rests entirely upon the now shrinking shoulders of the Members of the Eightieth Congress who passed this give-and-take-away law.

President Harry S. Truman was right in every particular when he lowered "Casey's boom" on the evasive and side-stepping Eightieth Congress and told the Nation that they, and they alone, were at fault for the failure to provide adequate storage space for farm crops.

The CHAIRMAN. The Chair recognizes the gentleman from South Dakota [Mr. LOVRE].

Mr. LOVRE. Mr. Chairman, in the limited time allowed, I certainly cannot do justice to a bill that is so important as H. R. 2682. In short, I want the Members of this House to know that I am going to support this bill and perhaps a few of the amendments.

I want to say to a few of my friends and colleagues, those who are of the opinion that there is no shortage of

storage facilities in my State, if you will come out there during threshing time I will show you open bins by the hundreds throughout the First Congressional District.

The principal objective of the bill under consideration, namely, grain storage, is not only necessary but absolutely essential to the operation of any effective price-support program for the American farmer.

It is, in my opinion, the most important piece of farm legislation which has been considered by the Eighty-first Congress.

If we fail to provide adequate storage for farm products either on the farm or in terminals, we will have failed one of the most important segments of our economy, American agriculture. The American farmer has contributed so much toward winning the war, and he will, if given a chance, contribute materially to keeping the peace by providing the food for a well-fed Nation and world.

Those who are opposed to restoring to the Commodity Credit Corporation the power with which to provide adequate storage facilities to our producers would have us believe that such a system is socialistic, and would be putting the Government in business in competition with private business. I do not subscribe to this reasoning. While I am staunch in my belief that the Government never should be permitted to compete with private enterprise, I do believe that where private enterprise fails or cannot provide the facilities and programs which are necessary to the general welfare, then it is one of the functions of Government to step in and lend a helping hand.

The committee recognizes the fact that in the matter of grain storage facilities there is a definite need for Government encouragement. It also recognizes that the Government should not compete with private business, and accordingly will offer an amendment which will provide in substance that the CCC shall not exercise its authority to acquire grain storage facilities unless it finds that existing privately owned storage facilities are inadequate in the particular area affected. This is as it should be, and with this guaranty, the proposal certainly is not socialistic in any sense of the word. Neither does it put the Government in competition with private business.

When I speak in favor of allowing the CCC to acquire grain storage space where private capital has failed, I am not only expressing my personal views, but also the views of the 1949 South Dakota Legislature. I am submitting for the RECORD a resolution passed by that body in its most recent session:

House Concurrent Resolution 6

Concurrent resolution memorializing Congress to amend the charter of the Commodity Credit Corporation to provide for ample storage bins and facilities for corn, wheat, and other basic grains

Be it resolved by the House of Representatives of the Thirty-first Legislature of the State of South Dakota (the Senate concurring)—

Whereas the house of representatives, the senate concurring, deems it essential that farm prices be supported at the level of full parity; and

Whereas the house of representatives, the senate concurring, is cognizant of the fact that the support of farm prices at full parity cannot be achieved in an effective manner unless the United States Government provides permanent storage facilities for corn, wheat, and other basic grains; now, therefore,

The house of representatives, the senate concurring, does petition the Congress of the United States to amend the charter of the Commodity Credit Corporation to authorize the provisions of permanent storage facilities for the storage of at least 1,000,000,000 bushels of corn and 500,000,000 bushels of wheat on the farm and at terminals in the farm area, and adequate storage facilities for all other basic grains; be it further

Resolved, That a copy of this resolution be forwarded to the President and Vice President of the United States, the Speaker of the House of Representatives, the Secretary of Agriculture, and to each South Dakota Senator and Member of the House of Representatives in the Congress of the United States.

A. E. MUNCK,
Speaker of the House of Representatives.

W. J. MATSON,
Chief Clerk of the House of Representatives.

R. A. TERRY,
Lieutenant Governor.
NIELS P. JENSEN,
Secretary of the Senate.

Mr. Chairman, I feel so strongly on this subject that the very first bill which I introduced as a freshman Congressman was one which would return the powers of the CCC to acquire grain storage space.

In my State, storage is acute and has been for some time past. According to recent statistics, South Dakota farmers produced in 1948 approximately 333,500,000 bushels of grains. We have only 838 country elevators with a capacity storage of only about 23,500,000 bushels, thus leaving approximately 310,000,000 bushels to be stored on farms in various types of bins, most of which are of such construction that the grain stored in them is not eligible for CCC loans.

When such a situation exists, it deprives the producers of the support price. Certainly all farmers should be given an opportunity to receive the support price for the commodity he produces and should not be denied that right because of lack of proper storage facilities.

We have in our State, and I know this situation exists all over the Nation, thousands of young veterans who have invested and obligated thousands of dollars in farm equipment and land on the strength of the assurance that they would receive a fair price for their crops under the Government farm program. If we fail to provide them with adequate storage, we have failed in the rehabilitation of our farmer-veterans. Certainly we should not be guilty of going back on a promise which we, as a grateful Nation, made to our GI's while they so gallantly fought to maintain the principles of America, including the right of free enterprise.

There is a further reason for allowing the Government to supplement the grain storage program conducted by private elevators and terminals. That is the matter of waste of food. If our crops are not stored properly, then there is rotting and waste and the entire consuming public, both here and abroad, suf-

fers. There is nothing more immoral than waste of food. A well-conducted program designed to provide adequate storage will prevent this.

The Crop Reporting Service of the Department of Agriculture only yesterday predicted that this year's wheat crop will be the second largest in history. They also state that this billion bushel estimate will tax existing storage facilities. We certainly cannot sit here in Congress and allow this crop to rot on the ground without doing everything possible to put it under cover. I can think of no greater crime against nature and against the people of the world.

Recognizing the need for farm price supports and the need for acquiring grain for future use, the Congress, many years ago, inaugurated a Government price-support program. This plan has been kept in operation in one form or another by each subsequent Congress. During the war, there was such a demand for crops that there was little need for local storage space. However, since then, with a return to more normal consumption, with more normal crops abroad which reduce the demand for export, and with bountiful crops here at home, it is at once apparent that storage facilities must be expanded.

We are all agreed that the Government should operate some type of price-support plan to assure the farmer of a fair standard of living and to stock pile farm commodities for future use, either for defense or as an assurance to maintaining necessary dietary requirements, should there be a convulsion of nature which would cause a crop failure.

Common logic says that we cannot allow our grains to rot and spoil. I certainly would not subscribe to a Government price-support program which would condone such wasteful practices.

Therefore, I stand here today as a champion of the free-enterprise system in America and as a champion of the farmers who sent me to Congress, and I ask you in all earnestness to give favorable consideration to this legislation. It means a great deal to the individual farmer, but it means far more to the health, welfare, and prosperity of every single person in this great Nation.

(Mr. LOVRE asked and was given permission to revise and extend his remarks.)

Mr. WOLCOTT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WOLCOTT: On page 1, line 9, strike out section 1.

Mr. WOLCOTT. Mr. Chairman, it is very obvious what this amendment does. It restores to the Board of Directors of the Commodity Credit Corporation the management of the Corporation. The law at the present time provides that the Commodity Credit Corporation "shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general direction and control of its board of directors." The bill seeks to strike out the words "direction and control of its board of directors" and substitute for them "supervision and direction of the Secretary of Agriculture."

What we do in this bill, unless this amendment is adopted, is for all practical purposes to dissolve this great Corporation, which has done this very splendid job throughout the years in maintaining farm-support prices. We destroy the Commodity Credit Corporation as such and turn the administration over to the Secretary of Agriculture. We have a right to have confidence in the Commodity Credit Corporation as such because it has done such a splendid job throughout the years in accomplishing the purposes for which it was set up, but we do not know that a single individual can do as good a job as this Corporation has done. The only practical function left to the Corporation, unless this amendment is adopted, is to issue notes, bonds, and debentures aggregating \$4,750,000,000. So we are not particularly honest with ourselves or anybody else when we say we are going to continue the Commodity Credit Corporation, because we are not going to continue the Commodity Credit Corporation except as a money-raising agency for the Secretary of Agriculture.

Mr. Chairman, I urge that this amendment be adopted.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

Mr. SPENCE. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. SPENCE. Should not the Members on this side of the aisle have an opportunity to discuss the amendment? We think we ought to have an opportunity to say something before the vote is taken.

The CHAIRMAN. The Chair looked at the committee table and no one was standing, so he put the question. The Chair will put the question again.

The question is on the amendment offered by the gentleman from Michigan.

The question was taken; and on a division (demanded by Mr. SPENCE) there were—ayes 68, noes 78.

So the amendment was rejected.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. WORLEY].

Mr. WORLEY. Mr. Chairman, I take this time to secure information from the committee handling this particular bill. I note that on page 8, section 7, part of that section reads as follows:

That notwithstanding any other provision of law, the Commodity Credit Corporation is authorized upon terms and conditions prescribed or approved by the Secretary of Agriculture to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation.

My question is: Does the term "agricultural commodities" include all of the pork which the Government is expected to purchase under the hog price-support program?

Mr. BROWN of Georgia. It does.

Mr. WORLEY. Is it the intention of this bill to also include any other meats now owned by the Commodity Credit Corporation?

Mr. BROWN of Georgia. It is.

Mr. WORLEY. Would it include the several million pounds of canned Mexican beef, which the Commodity Credit Corporation now owns?

Mr. BROWN of Georgia. It would.

Mr. WORLEY. Would they be permitted to exchange that surplus for any critical or strategic materials?

Mr. BROWN of Georgia. That is correct.

Mr. WORLEY. I thank the gentleman very much.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska [Mr. STEFAN].

STORAGE ON FARMS

Mr. STEFAN. Mr. Chairman, the bill we have under consideration, H. R. 2682, is for the purpose of amending the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes. Mainly, the bill is for the purpose of maintaining farm support prices and strengthens the hand of the Commodity Credit Corporation in assuring storage for farm products. The objectives of the bill are good and I intend to support it and also amendments which would tend to strengthen it for the benefit of the farmers. In my more than 14 years of service in this House as the representative of the people in the Third Congressional District of Nebraska I have given most of my time to an effort to make the lot of the farmer just a little better. Beginning with my bill for the improvement and the equalization of the farm dollar, I have continued to work for the best interests of the farmer. My long battle for legislation which would give the farmer cost of production plus a reasonable profit has been successful only partially. The farmer is still at a disadvantage because of the failure of the Congress to enact my bill to set up a department of transportation and because the problem of distribution has not yet been solved. If my transportation bill could be enacted into law and if the perplexing distribution problem could be settled, I feel certain many of the farmers' difficulties would also be solved.

We have many illustrations why the farmer is continually at a disadvantage so far as transportation and distribution are concerned. When eggs were selling for 30 cents a dozen in Nebraska consumers in Washington were paying 85 cents and 90 cents a dozen for same. I could give you many, many more of such illustrations. It is only one of many arguments against the statements continually being made by city members who say the farmers are too well off. It is only one of hundreds of illustrations I could give you that the farmer does not receive for his products what the consumer has to pay. The spread is too wide and the farmer usually gets the smallest part of that wide spread.

Regarding this legislation which also calls for storage for farm products: We must write into this bill and instruct the Commodity Credit Corporation to see to it that most of this storage space is built on or close to the farms where the products are grown and raised. That is the most sensible place for such storage. However, there are many other functions

in the law for the Commodity Credit Corporation. These include the loaning features; the support prices and the disposal of surplus farm products. It is certain that we should not keep too long these surplus farm products on hand. While the world is still our market we must see to it that a world market is kept continually open for the disposal of whatever surplus we have. The world agriculture competition may face us again. It may be very near even now. Therefore the Agriculture Department and the various divisions of that agency should be ever on the lookout through exports to keep the flow of our agriculture surplus in every avenue of world trade.

Preserving the American market for the American farmer must be of most importance to all of us. At the same time the markets of world must be kept in close contact in order that we can trade our agriculture products to foreign countries for critical material and things we do not produce. As the program of rehabilitating foreign countries continues the world agriculture competition is likely to be a threat. But if complementary products can be encouraged I feel we can have at least some world market for our surplus and at the same time preserve the American market for the American farmer.

There are many proposals being made regarding future farm programs and many of them have merit. I feel the flexible farm price proposals of the administration are not fair to the farmer. I am strongly in favor of the 90-percent parity price for which I have already introduced legislation. I am also anxious that farm products experimentation be continued in order that more and more new uses for farm products be discovered. Full production; complete and effective soil-conservation programs; new uses for farm products and new chemistry programs plus better transportation and distribution plans should be embodied in all of these new agriculture legislative proposals.

Mr. Chairman, let me again call to your attention that the first signs of depression can be seen when farm prices start going down. It is only when the farmer is prosperous that the people generally prosper.

For these and many, many other reasons Mr. Chairman and Members of the Committee, I have been most happy to work and will continue working for good farm prices; for all-weather roads to every producing farm, for electric energy on every producing farm, for all legislation which will make the American farm more and more attractive and more comfortable for the men and women who produce the food for the world.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. O'HARA].

Mr. O'HARA of Illinois. Mr. Chairman, as a member of the committee, and as a Representative from the Second District of Illinois, I am very strongly in favor of H. R. 2682 and of the provisions giving the Secretary of Agriculture power to acquire when necessary warehousing facilities. I certainly do not wish anything to interfere with the successful

functioning of the Commodity Credit Corporation, which has made such large contributions to our national welfare and under the broadened authority to the Secretary of Agriculture conferred by this bill will make even larger contributions in the future.

But whether it is the intent that packaged goods, which in substance largely are the processed yields of agriculture, should be included is a question which has been raised by those in my city of Chicago. Interested in the cold-storage business.

It has been gratifying to me to hear from the witnesses appearing before our committee such unanimity of good opinion of Secretary of Agriculture Brannan. There has been no complaint that at any time has there been under the administration of CCC any trespass upon the rightful domain of private industry. The cold-storage men of Chicago who have spoken and written to me have been united in their praise of Secretary Brannan and in expression of confidence in him and in the administration of President Truman. Regardless of their abiding confidence in the administration, they feel that an agricultural law, remaining on the statute books until repealed and conceivably after changes in personnel and in direction, should not include any but incidental supervision over an industry, mainly urban, which represents a large investment in structures and facilities located in the larger cities, and which is wholly adequate to meet all demands of private industry and of government at present and in the foreseeable future.

As the only member of the committee from the city of Chicago, which is the center of the refrigerator warehousing industry, I have thought it my duty to present the viewpoint on this subject of those in this business in Chicago and of other distinguished citizens of that city who have written me since the close of the hearings of our committee.

As indicative of the type of citizens who have written me on this subject, I mention the name of the Honorable John J. Sullivan, veteran jurist whose many years of service on the bench of Cook County has given him a preeminence in the esteem of our people. I mention also the name of the Honorable Ludwig D. Schreiber, the distinguished city clerk of Chicago.

Judge Sullivan writes me:

I am convinced that favorable consideration should be given to Congressman Young's amendment to H. R. 2682. The reasons outlined in Mr. Crooks' letter to you dated May 5 are sound and depict the true circumstances.

Mr. Crooks is the president of the Crooks Terminal Warehouses, Inc., operating in Chicago, Kansas City, and Los Angeles. In his letter to me, referred to by Judge Sullivan, he says:

We repeat again that the public merchandise and cold-storage warehousemen have sufficient facilities to take care of the requirements of the Commodity Credit Corporation. In addition to their own facilities, there are many buildings, owned by the Government, throughout the country that public warehousemen would be pleased to operate. Only recently, we offered to

store approximately 5,000,000 bags of dried peas and beans in the Tucker Corp. plant, provided that the War Assets Administration would be willing to let us operate it.

The warehouse industry did a wonderful job during wartime. For example, the Chicago warehouses stored 20,000 carloads for the Army, Navy, and quartermaster. We are prepared and willing to do it again if there is need for this much storage.

From Mr. Sidney A. Smith, president of the Anchor Storage Co., I have received a letter in which he states:

For several years our warehouse has been used by the Corporation and also by other branches of the Government for storing all sorts of package goods, foreign and domestic. To name some of these commodities, we include tea, rubber, evaporated milk, canned meats, milk powder, canned vegetables, etc.

At one time during the active part of this war, we devoted almost 40 percent of our space to Government business. The rates which we assessed on this business were less than we charged generally on private business. The volume, while large, was spotty, but we did our utmost to take care of Government requirements for package storage.

We believe that our warehouse and the others who operate public merchandise storage facilities can take care of the goods which Commodity Credit Corporation has to offer, and that we can do a better job for the Nation and at much less cost.

Mr. G. M. McConnell, Jr., president of the Railway Terminal & Warehouse Co., of Chicago, writes me:

It would be detrimental to warehousemen generally if the CCC were able to build, lease, or in any way acquire independently operated storage space for packaged commodities. By the term "packaged" we mean bagged, baled, or contained in some form.

You are undoubtedly aware that during the war years when the Government stored tremendous quantities of merchandise, merchandise warehousemen were able to supply all the needed space. We cannot believe that now, or at any time in the future, our industry could not again provide space for the storage of packaged products offered by the CCC or any other Government agency, as well as private enterprise.

Mr. E. G. Erickson, vice president of the Central Cold Storage Co., of Chicago, wires me:

In Illinois, and especially in Chicago, there exists one of the largest concentrations of cold-storage space in the world which this bill, unless amended as proposed, would seriously jeopardize.

Mr. Vallee O. Appel, president of the Fulton Market Cold Storage Co., of Chicago, writes me:

Existing refrigerated warehousing facilities are adequate with private capital available for essential expansion. Be assured we have no fears of construction by present administration but earnestly believe specific exemption should preclude unnecessary and uneconomical Government competition by future administrations.

Mr. Richard Scheer, manager of the Booth Cold Storage Co., of Chicago, which is affiliated with public cold-storage warehouses operating since 1900 in St. Louis, Minneapolis, and St. Paul, writes:

We have a total of over 4,500,000 cubic feet gross of refrigerated space, carried at temperatures ranging from 45° above zero to 20° below zero, with a capacity of 65,000,000 pounds, representing an original investment

of about \$4,000,000 with a replacement value in the neighborhood of \$10,000,000, and at present the space is about 70 percent occupied. Government figures of March 1 show an occupancy of only 49 percent in the warehouses as a whole throughout the country.

Our vice president and general manager, Mr. Gross, served on the Cold Storage Advisory Committee during the war, under the chairmanship of W. C. Crow, of the Production and Marketing Administration of the United States Department of Agriculture. From this source we know that no perishable commodities of any kind were actually lost by the Government due to lack of refrigerated facilities in this country.

None of my correspondents has expressed the least fear that under President Truman and Secretary Brannan there will be the slightest abuse of power. They find no ground for fear in the historical background of the Commodity Credit Corporation, with which they wish always to proceed with the fullest measure of cooperation in the doing of a splendid job for the benefit of the farmers of America and thus for the American people as a whole.

I am happy to present for the thoughtful consideration of my colleagues, and as they have been given to me, their viewpoints on what is best for their industry and, as they see it, best for the country. They have been respectfully submitted, and by us should be, and I am certain will be, respectfully received and considered.

(Mr. O'HARA of Illinois asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Chairman, since the committee has already voted on this amendment to strike out the section, I wish to say simply a word in explanation.

This section merely restores to the Secretary of Agriculture authority to supervise and direct the activities of the Corporation. He had those powers prior to the enactment of existing law on June 29, 1948. It gives him no additional powers over what he had prior to that date. By striking out this particular section in the proposed legislation it would go right back to where we are at present under existing law that met with disfavor by the voters of the great grain areas.

I laud the stand taken by the former chairman of the Committee on Agriculture, the gentleman from Kansas [Mr. HOPE], and also the gentleman from Minnesota [Mr. H. CARL ANDERSEN] in making plain that the powers and authority should be vested in the Secretary of Agriculture in the Corporation under their direct supervision and authority. Certainly to divide the responsibility and divide the authority would actually separate the power and the effectiveness of this particular Corporation. I am pleased to see that the committee ratified that action.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, I would like to bring to the attention of the Committee this situation, so that even though

the amendment which was offered by the ranking minority member of the committee a few moments ago has been defeated, it will not affect your thinking or voting on the other provisions of this bill. If the Commodity Credit Corporation did a good job until 1948, and you want to see it continue to do that good job, then you must pass this bill as presented by our Committee.

During all of the years of its existence until June 1948 the responsibility for the operation and management of the Commodity Credit Corporation was in the Secretary of Agriculture. In 1948, for the first time, you took the powers away from him and gave them to the board of directors. This bill puts the powers back where they belong. The job was done well and effectively, by the Secretary of Agriculture. It is his responsibility. Let us give back to him the power to fulfill that responsibility. I am sure that he will do a good job in the years to come, just as he did it from the time the Commodity Credit Corporation was brought into being, until 1948.

You are not by this bill doing something new. You are merely correcting another of the blunders of the Eightieth Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Kansas [Mr. HOPE].

Mr. HOPE. Mr. Chairman, my only purpose in seeking recognition was to speak in opposition to the amendment offered by the gentleman from Michigan. Since that has been disposed of, I yield back the remainder of my time.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, I want to congratulate the House in defeating the amendment that would take this Corporation out of the control of the Secretary of Agriculture. The responsibility, the duties, and the power should be vested in one person. The Secretary of Agriculture is absolutely chargeable with the control of this corporation, and we should give him effective control to make his administration what we desire it to be.

There is another thing I wish to talk about, and that is the apprehension there seems to be on the part of some warehousemen, particularly those in cold storage warehousing, that their private industries might be invaded by this corporation. From 1933 until 1948 this corporation had as broad powers as any corporation ever had, power to acquire property and to use it as it pleased; but there is no testimony that during all those years the CCC ever invaded the realm of private enterprise or that it ever went into the cold storage business more than was absolutely necessary. I think in all that time it acquired but one property of that character, and that was in the city of New York. Not a single warehouseman testified that the corporation had gone into competition with them or had invaded their field. But now when the Corporation's powers have been much restricted, when they can go into this field only where the

facilities now are entirely inadequate, the apprehension seems to increase, and fears have arisen so that they come here and are lobbying for some amendments that they say are important to them. Let me say that if you heed all that private enterprise suggests and support the amendments offered by them, you are going to weaken this bill so that it will not function in the way it should. I hope those amendments will be voted down. I know that in the bill in the Senate they exempted cotton and tobacco from the provisions of the bill. The cash crop of the people I represent is tobacco. I was perfectly willing that it be stricken out, because I did not want to see any agricultural war started in this House. I do not believe that any warehouse interest is in danger. Under this act as it is now presented, the corporation can create facilities only where the present facilities are entirely inadequate. The arguments that have been made in behalf of the warehousemen are entirely without merit, and I hope they will be so understood when the House considers the amendments which I presume will be offered.

Mr. HOEVEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HOEVEN. Does any time remain under the consent request to limit debate?

The CHAIRMAN. Approximately 7 minutes remain.

Mr. HOEVEN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Iowa is recognized for 5 minutes.

Mr. HOEVEN. Mr. Chairman, I favor this legislation; in fact, on January 18 of this year I introduced my own bill, H. R. 1647, to amend the Commodity Credit Corporation Charter Act with reference to the general powers of the Commodity Credit Corporation. I also appeared before the Committee on Banking and Currency in behalf of my bill on March 24, 1949. At that time I endorsed in principle the provisions of the bill, H. R. 2682, which we are now considering. I suggested, however, an amendment which would provide that the acquisition of real property needed to carry on the program of the CCC should not be carried into operation until it was determined that the usual and customary trade facilities were not available. I am, of course, pleased to note that an amendment such as I proposed has now been incorporated as part of H. R. 2682.

It is not my purpose to drag dead cats out of the closet and to review who was responsible for what happened when the Commodity Credit Corporation bill was considered last year; it only remains to be said that it became a very potent issue in the campaign of last November. My main purpose in addressing you now is to present to you a very practical proposition, and that is the real need for storage facilities in the Corn Belt. I am sure we are all cognizant of the bumper corn crop which was harvested in the Corn Belt last year; it totaled ap-

proximately 3,650,000,000 bushels, and with an old crop carry-over of 125,000,000 bushels, will give us a total supply of 3,776,000,000 bushels. From all indications, we will have another bumper corn crop in 1949 which it is estimated will about equal the 1948 figure. Everything indicates that we will also have a prospective carry-over of up to as much as 700,000,000 bushels as of October 1, 1949. Our bins and storage facilities on the farms of the Midwest are already filled to capacity.

Mr. Chairman, I am very hopeful that before we finish with this legislation some amendment may be adopted to provide for the actual placing of storage facilities on the farms through some rental or advance-loan provisions on the part of the CCC to the individual farmers involved.

Farmers who take out corn loans may decide to deliver their corn next summer to the Corporation instead of paying off the loans, and farmers who take out purchase agreements may decide to sell it at the loan price sometime before September 1, 1949. This would mean that the Corporation would have to find storage space for greater supplies of corn the minute it was sold to the Corporation. Millions of bushels of corn have already been placed under loan-and-purchase agreements in the Corn Belt, and, according to the Department of Agriculture, this figure may well exceed 400,000,000 bushels this year.

I appreciate the fact that under the law the Corporation can lease terminal elevator space, but if the elevators are full we would really be confronted with a real problem. So in my judgment the passage of H. R. 2682—and I reserve the right to support such amendments as will clarify and improve the legislation—will authorize the Corporation to remedy the situation and will make adequate storage facilities available at all times. In conjunction with our program for agriculture, one of the main things to be considered is the providing of adequate storage facilities at all times. It should never be said that farmers were compelled to sell their corn or other grains at a loss just because storage facilities were not available.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

(Mr. HOEVEN asked and was given permission to revise and extend his remarks.)

The Clerk read as follows:

Sec. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation."

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors: The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of not less than 6 nor more than 10 members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the minimum number of directors required on the Board shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present."

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended by inserting after the sentence, "No suit by or against the Corporation shall be allowed unless it shall have been brought within 4 years after the right accrued on which suit is brought," the following sentence: "The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such 4-year period of limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'"

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or a combination of these three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

SEC. 7. Subsection (b) of section 6 of the Strategic and Critical Materials Stock Piling

Act (60 Stat. 596) is hereby amended by inserting the words "Commodity Credit Corporation or" before the words "the Reconstruction Finance Corporation" wherever they appear in such subsection and by striking out the period at the end of such subsection and adding the following: ", whichever of such corporations is involved in the transfer."

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 2, line 12, insert the following: "*Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities."

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, after the comma, insert "Advisory Board."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 8, strike out "not less than six nor more than ten" and insert "six".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 23, strike out "minimum number of directors required on the Board" and insert "Directors."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 25, strike out the quotation marks and insert:

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together

with their necessary traveling expenses while going to and coming from meetings."

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 5, line 6, strike out all of section 5 and insert:

"SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—
"(a) by inserting in the second sentence thereof after the word 'jurisdiction' a comma and the following: 'without regard to the amount in controversy;';

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: 'No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within 6 years after the right accrued on which suit is brought, or (2) the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued and the suit shall have been brought within 3 years after the disability shall have ceased. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit;'; and

"(c) by inserting before the period at the end thereof a comma and the following: 'except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this act, be brought in such court.'"

The committee amendment was agreed to.

Mr. KEATING. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. KEATING to the committee amendment: Page 6, line 7, after the number "2" strike out the remainder of line 7, also lines 8 to 10 inclusive, and line 11 to the period appearing in that line, and insert in lieu thereof the following: "In the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within 3 years after the disability shall have ceased or within 6 years after the right accrued on which suit is brought, whichever is longer."

Mr. SPENCE. Mr. Chairman, we will accept that amendment.

The committee amendment as amended was agreed to.

The CHAIRMAN. The Clerk will report the next committee amendment.

The Clerk read as follows:

Committee amendment: Page 7, line 7, strike out all of section 7 and insert:

"SEC. 7. The act, entitled 'An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad,' approved August 11, 1939, is

amended to read as follows: "That, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile."

Mr. BROWN of Georgia. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia to the committee amendment: Page 8, line 14, after the period insert the following: "Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities which serve as prime incentive goods to stimulate production of critical and strategic materials."

Mr. SPENCE. Mr. Chairman, the committee will accept the amendment.

The amendment to the committee amendment was agreed to.

Mr. BROWN of Georgia. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Georgia to the committee amendment: Page 9, line 4, after the period and before the quotation marks insert the following sentence: "Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

Mr. BROWN of Georgia. Mr. Chairman, this amendment means the Corporation can trade such commodities as prunes, raisins, eggs, and other commodities that will not store and may spoil for some strategic and critical material needed by the United States.

If the stock-pile authorities do not have funds to take the strategic and critical materials off the Corporation's hands, it can hold the materials or sell them if it appears wise to do so to protect the Corporation's assets. Any trading the Corporation did would be for materials specified by the stock-pile authorities and in close collaboration with ECA, the State Department and any other properly interested Government agency.

Similarly, the Corporation could encourage the production of strategic and critical materials through the use of trade goods in a somewhat comparable manner to the copra program it carried out in the Philippines. That program resulted in

a highly satisfactory production of Philippine copra oil at a time when fats and oils were in short world supply and private efforts to restore production were unsuccessful.

Mr. SPENCE. Mr. Chairman, the committee will accept that amendment.

The amendment to the committee amendment was agreed to.

Mr. CASE of South Dakota. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota to the committee amendment: On page 8, lines 12 and 13, after "strategic and critical materials" insert "including metal scrap."

Mr. CASE of South Dakota. Mr. Chairman, I am not sure but that under the language offered by the committee and under existing law it might be possible to permit the exchange for metal scrap, but there has been no great disposition to do so. It seems to me it would further the purposes of the committee amendment if it were made clear that it was the intent of Congress that the exchange for strategic and critical materials should include metal scrap.

During the time when the select Committee on Foreign Aid was in Europe, and particularly when the subcommittee was in Germany, it came to our attention that there are practically unlimited quantities of metal scrap in the harbors and other areas of Germany. Germany has probably the largest food deficiency of any country in Europe. They have a large population crowded into an area which has lost at least 25 percent of its agricultural land. If it is made clear that in this exchange scrap could be accepted as strategic and critical materials in payment for some of this food, it would result in disposing of a great quantity of the stocks of the Commodity Credit Corporation and at the same time permit the new West German Government to pay for a great deal of food instead of asking the American taxpayers to ship it over to them.

I hope that the committee will accept the amendment, since it clearly is in keeping with the purpose of the committee amendment.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. Has the gentleman from South Dakota concluded?

Mr. CASE of South Dakota. I had not concluded, Mr. Chairman. I was hoping that the gentleman was rising to say that since this furthers the purpose of the committee amendment, that the committee would accept it.

Mr. SPENCE. Mr. Chairman, I do not feel that the committee can accept the amendment. The Munitions Board prescribes what are critical and strategic materials. I do not know whether scrap metal would come under that category or not. The act says "critical and strategic materials." The Munitions Board prescribes such materials. To spell out each material, which might be considered critical or strategic, would mean that there would be no end to amendments to the bill. I do not think

we ought to go any further than the bill goes.

Mr. CASE of South Dakota. Mr. Chairman, the sentence immediately following the sentence that my amendment would amend says:

The determination of which materials are strategic and critical and the determination of the quantity and quality of such materials which are desirable for stock piling shall be named in the manner prescribed in section 2 of the Strategic and Critical Materials Stock Piling Act.

So my amendment does not take away from existing law the responsibility for determining at a given time what quantity or quality shall be accepted, but simply makes clear that it is within the intent of the Congress that scrap metal can be accepted as a strategic and critical material if a determination were so made. I hope the committee will accept the amendment.

The CHAIRMAN. The time of the gentleman from South Dakota has expired.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment.

Congress cannot, like a dictionary, define all critical and strategic materials, and we cannot have all critical and strategic materials written into the act. What those critical and strategic materials are are defined by a board which is given that authority. I do not think we ought to define here that metal scrap is critical or strategic, because it might not meet with the general plan prescribed. I hope the amendment will not be adopted. I think it would open the door for innumerable amendments.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. BROWN of Georgia. The purpose of this section is to permit the Commodity Credit Corporation to make this exchange for critical materials so that they can get paid for some of these agricultural materials.

Mr. SPENCE. Yes; but we have not defined in this act what is critical and strategic material. This amendment to the committee amendment is an attempt to define a critical and strategic material, which might not be considered a critical and strategic material by the authorities having in their power the duty under the acts of Congress to define such materials. I do not think it ought to be in this act.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. McCORMACK. If this amendment is adopted, it might limit the authority given under the bill to accept strategic and critical materials.

Mr. SPENCE. Yes.

Mr. McCORMACK. In other words, it might act as a limitation.

Mr. SPENCE. Yes; the inclusion of one means the exclusion of others. That is a well-defined principle of law.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Dakota [Mr. CASE] to the committee amendment.

The amendment to the committee amendment was rejected.

Mr. WHITE of Idaho. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I am in favor of the bill.

If we are to maintain the stability of our national economy we must support farm prices.

We know what happened to the finances and business in this country when the banks contracted currency and credit and upset our national economy by lowering the prices of farm products and destroying the purchasing power of the farmers of this country.

We must not let that happen again.

I am in favor of support for agricultural products. I am in favor of the plan of buying and renting storage facilities. We hear so much about the high price of grain, meat, and eggs and butter, and the things we use in our everyday food that we do not think of the cost that is being laid on the farmers to produce those things.

To give you a little illustration, during the Wilson administration I bought barbed wire for \$1.40 a roll. That was an 80-rod spool of standard galvanized wire. Today that same wire costs \$11.50 a roll. The farmer is being penalized on everything he buys. If we do not have a support price, if we take the purchasing power away from the farmers, then our national economy will go into a collapse, just as it did in 1930.

But this rider on this bill is a serious amendment before us today. Let me cite a few figures. In the appropriations already made to the Economic Cooperation Administration to implement the Marshall plan there has been \$6,030,710,288 appropriated. Of that sum, 5 percent, or \$197,000,000, is set aside to purchase strategic metals in the Marshall-plan countries. Now we are appropriating \$5,500,000,000 more, which will bring in another \$190,000,000 for the purchase of strategic metals. We are beating down the price of the metals that are produced in this country.

I have in my hand a report from the ECA, showing that they have so far used that first appropriation of \$190,000,000 to buy lead and zinc in the amount of \$1,500,000. Is it any wonder that the price of lead and the price of minerals in this country is falling? Is it any wonder that the market on stocks and securities of those companies engaged in that business are going down every day? Is it any wonder that the tax income of the Government is falling off? We are already setting aside 5 percent of these appropriations to purchase strategic metals. In this bill we propose to beat down the price of our metals further by bartering, which will further beat down the prices of these metals in this country. I think the time has arrived when we must give some consideration to the stability of our own industries and to the tax income of the Federal Government to take care of the expenses of carrying on this Government and meeting its obligations by building up the markets in our country. If we carry on this thing we are surely heading for disaster.

I yield back the remainder of my time.

(Mr. WHITE of Idaho asked and was granted permission to revise and extend his remarks.)

The CHAIRMAN. The question recurs on the committee amendment.

The committee amendment was agreed to.

Mr. SUTTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SUTTON: On page 2, line 8, after the word "storage", add a comma and insert the following: "other than storage for cotton or tobacco, except that it may rent or lease storage facilities for cotton or tobacco."

Mr. SUTTON. Mr. Chairman, this amendment is self-explanatory. It clarifies the amendment offered by the gentleman from Georgia [Mr. BROWN]. It also coincides with the amendment that was placed on Senate bill S. 900, which passed the Senate, page 2, line 11, "other than for storage of cotton and tobacco."

This amendment, if adopted, permits the Commodity Credit Corporation to lease or rent buildings for storage purposes but prohibits them from erecting any new buildings. The distinguished chairman of the Committee on Banking and Currency, Mr. SPENCE, has said that since 1933, through 1948, the Commodity Credit Corporation had the power to invade the respective territories and construct warehouses and storage facilities, but in all that time not a single invasion has occurred. This amendment, if enacted, will revoke the authority of the Government to construct new buildings. I, for one, am in a tobacco section and a cotton-producing section. I realize that in our section we have ample warehouses. We believe that by restricting this storage where it is not needed, then they can erect elevators and warehouses for the Western States, the wheat-growing and corn-growing States.

Mr. COOPER. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. COOPER. The gentleman is a distinguished member of the Committee on Agriculture. I will ask him if his information indicates that there are adequate storage facilities for cotton and tobacco.

Mr. SUTTON. It is my information that we have adequate facilities for both cotton and tobacco.

Mr. COOPER. And the gentleman's amendment would substantially accomplish the purpose provided by this provision in the Senate bill?

Mr. SUTTON. That is right; it clarifies it in that the Commodity Credit Corporation will be enabled to lease or rent storage facilities, but they will not be permitted to build them.

Mr. LYLE. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. LYLE. Some contractors in my district have called me, and written me, and said that they have been unable to negotiate loans with the banks or the RFC to enlarge their facilities. We perhaps have storage for half of our cotton in my area. We wish we had enough storage for all. These men have also inquired about the possibility of leasing from the Government surplus airfields in which they might store cotton. Does

the gentleman propose to cut out the authority of the Commodity Credit Corporation to assist such people in securing loans to build adequate storage?

Mr. SUTTON. No; the gentleman has the wrong impression. This forbids the Commodity Credit Corporation from building these warehouses, but permits them to lease or rent them, and accordingly they could lease the airports to which the gentleman refers.

Mr. LYLE. But if we do not adopt the gentleman's amendment then under the language of the bill the CCC could cooperate with private industry by helping them secure loans.

Mr. SUTTON. Definitely.

Mr. LYLE. If the gentleman's amendment is adopted could they still help them secure loans?

Mr. SUTTON. Definitely.

Mr. LYLE. Is the gentleman certain about that?

Mr. SUTTON. Positively; that is my interpretation.

Mr. LYLE. I wish the gentleman would look into it again, because if I thought that were true I would not oppose the gentleman's amendment. We, however, are in dire need of storage. We do not want to get cut off; we want them to cooperate with us in securing loans.

Mr. SUTTON. The gentleman is right.

Mr. LYLE. We cannot get loans from the bank, we cannot get loans from the RFC and now we have enough difficulty getting them through the Commodity Credit Corporation. We do not want to get cut off.

Mr. SUTTON. That was the reason the Senate amendment was carried a little further in that the language was added "except that they may lend or lease storage facilities for cotton or tobacco."

Mr. MARTIN of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. SUTTON. I yield.

Mr. MARTIN of Massachusetts. I might say to the gentleman from Texas that if you lack storage we have plenty of storage warehouse in my State, and we would be very glad to take care of the cotton.

Mr. LYLE. And pay the freight too? It is a long way.

Mr. MARTIN of Massachusetts. Not only pay the freight but use the cotton up there.

(Mr. SUTTON asked and was given permission to revise and extend his remarks.)

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG to the amendment offered by Mr. SUTTON: Insert the following:

"Refrigerated cold storage, and storage for packaged products customarily stored commercially by public merchandise warehousing industry and in general warehouses."

And strike out the words "cotton or tobacco" being the last three words of the pending amendment and in lieu thereof insert the words "for same."

Mr. YOUNG. Mr. Chairman, it is my view that this is meritorious legislation we are considering this afternoon; that the amendment offered by the gentleman

from Tennessee [Mr. SUTTON] makes this a better bill; and that my amendment to his amendment makes it still better. The facts are that the storage warehouses of the country average about 50 percent occupancy at the present time. All the Government requirements were handled during the war and have been handled since, and this industry has never failed to construct additional facilities when the need was apparent. Naturally, it looks now with trepidation and fear on any proposal that would permit any agency of the Government to go into competition with private capital. For the information of the membership let me say that the Sutton amendment with my amendment would read as follows, starting at line 8 on page 2 of the bill, a parenthesis, and then this language: "other than storage for cotton or tobacco; refrigerated cold storage; and storage for packaged products customarily stored commercially by the public merchandise warehousing industry or in general, merchandise warehouses, except that it may rent or lease storage facilities for same."

Mr. McSWEENEY. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. McSWEENEY. I know that the gentleman has been definitely opposed to the Government in any way competing with private industry, but does he not feel that with the language in the bill and the increasing demand for what we call cold processed products there would be an encroachment if this language was not placed in the bill?

Mr. YOUNG. Yes, and that is my purpose in offering the amendment.

Mr. TAURIELLO. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from New York.

Mr. TAURIELLO. Is it not a fact that in the large cities today refrigeration storage facilities are at least 50 percent vacant, so that if this amendment does not prevail it is possible that the Federal Government might go into competition with these already existing refrigerated warehouses?

Mr. YOUNG. The gentleman is absolutely correct. Let me say in that connection that the packaged agricultural products referred to are those which have been processed and are packaged for distribution to the consumer trade. At that stage they will have passed beyond the farmers' hands and into the ordinary channels of commerce.

Mr. BREHM. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Ohio.

Mr. BREHM. I want to congratulate the gentleman for offering this amendment. If he had not offered it, it was my intention to do so. I know that in Cincinnati and other large cities in Ohio there are many, many buildings such as the gentleman has described. I sincerely trust the gentleman's amendment will prevail.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Illinois.

Mr. CHURCH. I want to commend the gentleman for introducing this amendment to the other amendment and I hope that the amendment offered by the gentleman will be agreed to. It does not deny the Corporation any of the powers it ought to have. It does strengthen free enterprise, however, and I hope that the two amendments will be adopted.

Mr. YOUNG. I thank the gentleman for his contribution.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from New York.

Mr. KEATING. I favor the gentleman's amendment and, Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD at the conclusion of the remarks of the gentleman from Ohio [Mr. YOUNG].

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Michigan.

Mr. FORD. May I indicate my support of the gentleman's amendment? I wish to ask a question however and that is: It is the same amendment as an amendment that was offered and adopted in the Senate?

Mr. YOUNG. As I understand it, the amendment offered by the gentleman from Tennessee [Mr. SUTTON] is the same amendment as that offered and adopted in the Senate. It may be this is also.

Mr. BOGGS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Louisiana.

Mr. BOGGS of Louisiana. You have packaged goods warehouses, have you not?

Mr. YOUNG. Yes.

Mr. BOGGS of Louisiana. There has never been any shortage of those warehouses, has there?

Mr. YOUNG. There has not been to my knowledge.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Minnesota.

Mr. JUDD. Is it not true that during the war no perishable commodities needing refrigeration were actually lost in this country due to lack of refrigeration facilities, because this industry has been adequate and efficiently managed?

Mr. YOUNG. The fact is that during the war all the wartime requirements of our Government were met by this private industry.

Mr. JUDD. Does not the gentleman have information that the Secretary of Agriculture himself has said that he does not contemplate the development of any need for additional facilities in this field?

Mr. YOUNG. That is correct.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. GATHINGS. Mr. Chairman, I ask unanimous consent that the gentleman may proceed for one additional minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. JUDD. Does not the gentleman feel that even if a need should develop in the future, the fact that it would require a year to 18 months to construct new facilities gives opportunity for the Secretary of Agriculture to come to the Congress and make his case? If it is a good case, doubtless the Congress will grant the CCC power to handle the need.

I do not believe any man should be given the blanket power on his own to go into business and commit the Government to the purchase or construction of warehouse facilities without having to consult anyone?

Mr. YOUNG. And, in my judgment, that need will not develop.

Mr. JUDD. That is right.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from New Jersey.

Mr. HAND. The gentleman is also aware of the fact that in the city of New York there is a warehouse and refrigerating plant being operated which is owned by the city of New York and operated by the Commodity Credit Corporation containing some 3,000,000 cubic feet. That is being operated by the Government in competition with private refrigeration plants there although they are only filled to about half capacity.

Mr. YOUNG. I am not aware of that, but I take the gentleman's word for it. My proposed amendment would in no way prevent the Agriculture Department from assuring farmers against a shortage of space to store wheat, corn, or other grains as they are harvested and marketed by the farmers. Grain and similar agricultural commodities are ordinarily stored in bulk in grain elevators in or near the growing areas, at which stage of marketing they are not "packaged products customarily stored commercially" in merchandise warehouses.

Mr. GATHINGS. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Arkansas.

Mr. GATHINGS. I commend the gentleman for offering his amendment and shall support it.

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. KEATING. Mr. Chairman, I support the amendment offered by the gentleman from Ohio.

Although I know nothing about the situation in the cotton or tobacco States, I do have considerable information regarding the need, or rather, the lack of need, for additional storage facilities in refrigerated plants and for storage of packaged products now handled commercially by the public warehousing industry. I am informed, and it is significant that no evidence has been introduced on this floor to the contrary, that these private and refrigerated warehouses are not now used to anything approaching their capacity and many of them are only from 50 to 60 percent occupied. Furthermore, I am told that occupancy in these warehouses is now

rapidly declining. If the public warehousing industry could handle the tremendous needs for storage space during the war years, when warehousing space was at a premium, I fail to understand why they should not be allowed to handle it now.

This amendment will test the attitude of this body toward private enterprise in this country. Without its adoption, the Commodity Credit Corporation will be empowered to acquire and operate storage warehouses, not as an emergency proposition, not simply at any time when there is an acute need for such facilities, but in the regular course of business, as a direct competitor with those who have invested their own funds in this activity, not only to their detriment and possible bankruptcy, but to the prejudice of the thousands who are employed in the great warehousing industry.

True, it is provided in other parts of this bill that the Corporation shall not acquire warehouses where existing privately owned storage facilities are adequate. But who is to determine that question? The answer is given in this bill—the Commodity Credit Corporation itself.

Under this measure, any independence on the part of this Corporation has been destroyed by the provision putting it under the direct supervision and direction of the Secretary of Agriculture. We already have a taste of his inclination as to methods of operation. He is the one who has recently promulgated the program to regiment and control the production of every farmer in the country. It is to him that this bill seeks to leave the determination whether the Government shall or shall not go into the refrigerated-warehouse business on a wholesale scale. I am not prepared to delegate this decision to the Secretary or his alter ego, the Commodity Credit Corporation.

If the refrigerated-warehousing industry constituted something in the nature of a monopoly, and there were a shortage of available space for products requiring refrigeration, or even any reasonable possibility that there would be a shortage of space in the future, that would be one thing. There might, under those circumstances, be some justification for authorizing the Commodity Credit Corporation to build cold-storage plants. Since, however, the supply of cold-storage space now exceeds and has long exceeded by far any demand now present or anticipated, there is no more reason for the Government to go into the refrigerated-warehousing business than there is for it to go into the trucking business, the railroad business, or any other venture.

This amendment raises a fundamental issue. So long as I remain a Member of Congress, I intend to resist with all my energy and to the limit of my ability, the destruction of private enterprise by Government competition, resulting in loss to those who have invested their money, and throwing out of their jobs those now employed in industry. There may be some types of activity of a clearly emergent character, or providing for projects of such magnitude that Gov-

ernment intervention is essential to their completion, which justify encroachment on the legitimate province of private enterprise. Certainly no situation has here been presented justifying our stamp of approval on such a move.

The adoption of this amendment is so vital, it goes so directly and clearly to the heart of the fundamentals of our American system, that I doubt whether I can support this bill if the amendment fails to pass. I hope it will succeed.

(Mr. BROWN of Georgia asked and was given permission to revise and extend his remarks.)

Mr. BROWN of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Ohio said that the amendment offered by the gentleman from Tennessee made it a good bill, but that his amendment makes it a better bill. Well, that includes everything on earth now; refrigeration, storage of tobacco, cotton, and everything else except grain. Why does not somebody on the Republican side get up and eliminate grain, and then we would not have any bill?

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Georgia. I yield to the gentleman from Minnesota.

Mr. JUDD. Because grain is never stored in refrigeration warehouses, is it?

Mr. BROWN of Georgia. I am talking about the amendment the gentleman offered. We have a cotton amendment, a tobacco amendment, and this amendment, too.

Mr. JUDD. Well, of course, I have no such knowledge as the gentleman has as far as cotton and tobacco are concerned, but I do know something about the cold-storage industry, and it is not a factor in the CCC programs for handling grain.

Mr. BROWN of Georgia. The gentleman is well informed on everything, and I always like to hear the distinguished Congressman talk, but I reply to the gentleman in this way: Why would you be hurt in this field? The CCC had this authority from 1933 to 1948, and I never heard any complaint from this group in that field of service, and there never will be. The CCC had the same authority to construct more cotton and tobacco warehouses, but they did not do it from 1933 to 1948, but some day we may need more facilities for all of these groups when private enterprise will not construct them.

This bill with my amendment is like a shotgun in the corner to be used when the need arises. If private enterprise will not do the job, then Commodity Credit Corporation will do it. I know a good deal about cotton warehouses. I think I have as many in my district as any other district in the United States has. Some objected to this provision; they did not know what my amendment was. I explained my amendment to them and they replied they thought it was all right and would trust my judgment.

Now, who is the man at the head of the cotton warehouses here? He is a man representing the cotton warehouses in Washington, Mr. Todd. Who is he?

Counsel and Washington representative for the National Cotton Compress and Cotton Warehouse Association. What did he say? He said if you are going to treat all the commodities equal and alike, I suggest the following amendment:

That the Corporation shall not provide storage facilities for any commodity unless private capital and private industry fails to provide such facilities in adequate volume for the efficient storage of that commodity in accordance with the usual trade customs and practices—

What is the difference between that amendment and mine?

Mr. GATHINGS. Mr. Chairman, if the gentleman will yield, I will tell the gentleman what the difference is: In accordance with usual trade practices.

Mr. BROWN of Georgia. That is in my amendment. Read the amendment. Read down further.

Mr. GATHINGS (reading): unless the Corporation determines that any such privately owned storage facilities for such commodity in the area concerned are not adequate.

Mr. BROWN of Georgia. All right, read down there further. It is in the latter part of the amendment.

Mr. GATHINGS. You go ahead and read it.

Mr. BROWN of Georgia. No; I am making my speech. The gentleman can make his own speech.

Further the bill says:

The authority contained in this subsection shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities.

I hope the gentleman is satisfied now. I tried to explain it to him.

What is this law for? It is to help the farmers of this country. We want to help the warehousemen also, but the prime purpose is to help the farmers. If private industry will not erect a warehouse where the farmer can store his cotton, then the Commodity Credit Corporation ought to do it. The banks have made money out of this agency. The cotton warehousemen have made money and we are not disturbing the warehousemen as long as they furnish the facilities. The Commodity Credit Corporation tells me they expect to continue to cooperate with the warehousemen and permit them to make money as long as they adequately serve the farmers. When they do not furnish the facilities we have a right to ask that the farmer have some place to store his cotton, just as the farmer in the West should have the right to store his grain.

Mr. BUCHANAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is the express desire of the committee that the authority

given in this section shall not duplicate or interfere in any way with private trade facilities. We have tried to point that out in the report very clearly, on pages 6 and 7. The Department has stated that it has no desire to use this authority, has never had, and does not intend to in the future. It does not intend to go into any area and replace existing private trade facilities in that area. The history of the corporation prior to July 1, 1948, indicates that it has not done so, and all indications are that they do not intend to do so at any future time.

As the gentleman from Georgia [Mr. Brown] has pointed out, this matter was aired in the committee and considered very carefully. As the bill came to us from the other body it excluded these two commodities, cotton and tobacco, which, of course, pointed up the fact that including these two commodities would make it look as though this were a bill designed to acquire storage facilities for some commodities and exclude other commodities.

Mr. BROWN of Georgia. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Georgia.

Mr. BROWN of Georgia. The amendment has the entire support of the committee, all those that were present, with not a single dissenting vote.

Mr. SUTTON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Tennessee.

Mr. SUTTON. The amendment in the Senate bill, S. 900, excluding cotton and tobacco, also passed the Senate.

Mr. BUCHANAN. It did, and it came over here, and we discussed that very thoroughly. The language on page 2 I believe is very clear, and the discussions here and statements of the committee in its report have pointed up that very thing.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Kentucky.

Mr. SPENCE. Where the existing facilities are adequate in the area, under the act and under the proposed law, the Commodity Credit Corporation cannot secure or acquire any existing facilities.

Mr. BUCHANAN. That is exactly it, and that is the purport of the bill. It is stated very clearly. There is no question about it.

Mr. SPENCE. If the facilities are inadequate, certainly there should be no reason why the Commodity Credit Corporation should not supply the deficiency. It looks to me as if this is getting away from the farmer and thinking more of the warehousemen.

Mr. BUCHANAN. That is right.

In answer to the gentleman from New Jersey [Mr. Hand], may I point out that in the letter of the Secretary of Agriculture, Mr. Brannan, to Mr. SPENCE, appears this language:

Taking into consideration the total cubic feet of net piling space in public general cold-storage facilities available in the city of New York, these 207 cars represent approximately 2 percent.

That is, the total existing potential plant capacity there for storage.

Mr. HAND. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from New Jersey.

Mr. HAND. Regardless of what the percentage may be, the fact is as I have stated, is it not, that in the city of New York the Commodity Credit Corporation is operating refrigeration plants with 3,000,000 cubic feet, and the private plants in that city are operating at 40 percent or less capacity.

Mr. BUCHANAN. I was pointing out that we are using only 2 percent of the storage facilities of that particular terminal in connection with the storage of frozen eggs there at times when space was not available elsewhere in the area.

Mr. NICHOLSON. Mr. Chairman, will the gentleman yield?

Mr. BUCHANAN. I yield to the gentleman from Massachusetts.

Mr. NICHOLSON. I should like to have the gentleman from Pennsylvania take out what the gentleman from Georgia said, that the whole committee was in favor of this bill and in favor of the proposition, because I was not.

Mr. BUCHANAN. The gentleman should make that request of the gentleman from Georgia.

Mr. NICHOLSON. I want it to go in the RECORD that I never was absent, and I am always present.

Mr. BUCHANAN. I thank the gentleman for his statement.

Mr. HAYS of Arkansas. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to point out that there is grave danger that the action of the House would be misunderstood if we should adopt this amendment. The bill is designed primarily for relief in the grain sections of the country, but we, in the tobacco and cotton country, have no right to ask for an exception. We certainly would be unjust to our farmers if there should be a need for it and we should find ourselves deprived of the power to give them relief. But, as a matter of fact, it has no application to the cotton situation. Mr. Brannan was asked by the chairman, as to tobacco, and he said, "We certainly have not, during my experience, used any authority for storage of tobacco." Then the gentleman from Georgia [Mr. Brown] asked about cotton, and he said, "There is adequate warehouse space for cotton."

If we are going to exhibit anxiety because we fear that the Secretary will abuse the owners of warehousing property in the cotton and tobacco areas, what are we doing to our private operators in the grain areas? Let us be consistent.

Another thing. There are two checks on any abuse of authority by the Secretary of Agriculture. One check is the power of the Committees on Appropriations, the other is, that Mr. Lindsay Warren of the General Accounting Office, our able Comptroller, will check every step that the Secretary of Agriculture makes.

Mr. McCORMACK. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. McCORMACK. That is his obligation under the Corporation Act of 1945.

Mr. HAYS of Arkansas. I am glad to have that pointed out. The 1945 act vests authority in the Comptroller General's Office for the auditing of actions by Government corporations.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. COLE of Kansas. Does the gentleman feel that the Comptroller will really check over the Commodity Credit Corporation in the future, and if he does, will it be a better check than was had in the past when \$366,000,000 disappeared from the account of the Commodity Credit Corporation?

Mr. HAYS of Arkansas. I think a careful reading of the full record will show that that generalization hardly stands—if I may differ with my good friend from Kansas.

Mr. COLE of Kansas. In addition, will the gentleman point out that the Commodity Credit Corporation has assets on hand which it may use without direct appropriations for the erection, construction, and purchase and perhaps even the condemnation of facilities without any check by the Committees on Appropriations?

Mr. DEANE. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from North Carolina.

Mr. DEANE. I am amazed at the gentleman from Kansas bringing up this subject, because, if he will refer to page 143 of the hearings, there is contained the reply from Mr. Warren, the Comptroller General, to the Secretary of Agriculture, concerning these so-called receivables about which there seems to be some question in the mind of the gentleman from Kansas. As you will recall, this bookkeeping deficit occurred during the pressure of war days and in connection with the administration of the War Foods Administration under the leadership of that distinguished gentleman, Mr. Marvin Jones, now Chief Justice of the court of appeals.

Mr. COLE of Kansas. I am very familiar with that, if the gentleman will yield.

Mr. DEANE. This is the reply to Secretary Brannan?

As requested in your letter, we have reviewed the plan proposed by you with respect to your review of questionable items. It is noted that you propose to make no attempt to investigate transactions recorded in lend-lease receivable accounts prior to September 2, 1945 (VJ-day) and in receivable accounts with other agencies of the United States Government. In view of the very large volume of work and the administrative costs involved in such a review, we concur with the plan proposed by you to the extent that it can be demonstrated that there will be no over-all loss to the United States Government.

Mr. COLE of Kansas. In other words, it was too expensive to actually investigate the facts.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. HAYS of Arkansas. Mr. Chairman, I was overly generous with my time.

I ask unanimous consent to continue for three additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. COLE of Kansas. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Kansas, but I would appreciate his being brief.

Mr. COLE of Kansas. I will be brief. But I want to say, in the first place, the answer made by the gentleman in connection with the investigation of the Commodity Credit Corporation does not seem sufficient because there has never been an investigation, so I think it does prove my point. We do not have complete confidence in the check that can be made on the Commodity Credit Corporation.

Mr. HAYS of Arkansas. If improvements can be made in the procedure, I am confident this Congress would join in the improvements. Everyone has confidence in the General Accounting procedure and certainly in the present Comptroller General.

Mr. BUCHANAN. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield to the gentleman from Pennsylvania.

Mr. BUCHANAN. Just for the purpose of the RECORD, I have in my hand a copy of the audit report of the Commodity Credit Corporation for the fiscal year 1945. I will just read briefly:

The Corporation's organization was subjected to great strain as a result of the problems created by the war, the need to move swiftly in undertaking many programs, and the acute need for skilled and highly specialized personnel. The imperfections in organization, accounting, and operations which resulted become difficult to appraise in the light of these circumstances, and there is a tendency toward using hindsight too freely or undervaluating the circumstances which prevailed. We have attempted to weigh fairly these factors and, although some of our criticisms are severe, it is not our intention to undervalue the responsibilities undertaken and carried out by the Corporation during the war or to cause the contribution made by the Corporation during peace and war to be overlooked or discounted.

Mr. HAYS of Arkansas. I thank the gentleman. My purpose was to allay, if possible, any fear that might be entertained that we are inaugurating a vast storage program for cotton and tobacco and other commodities. It simply is not in the mind of the Secretary, and certainly it is not in the minds of the committee. I think the gentleman from Georgia [Mr. Brown] has rendered a great service in working out the language of this part of the bill. I am reluctant to disagree with my good friend from Tennessee who offers the amendment, but I think it would be damaging to this legislation. I am not familiar with the cold-storage problem, but on the same theory it is better to leave this in general terms and then meet specific situations in basic storage legislation that might be reported by the Agriculture Committee.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. HAYS of Arkansas. I yield.

Mr. CHURCH. A close check-up would show you that this Sutton amendment seeks to protect private enterprise from Government competition, and it does not injure the real purposes of the bill.

Mr. HAYS of Arkansas. I am sure its purposes are good, and if I thought it were necessary I would be happy to join in. I think it is out of place in this particular legislation.

The CHAIRMAN. The time of the gentleman from Arkansas has again expired.

Mr. MONRONEY. Mr. Chairman, I move to strike out the last word, and I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. MONRONEY. Mr. Chairman, I hate to delay consideration of this matter, but I think this is one of the most important parts of the bill. We are working on a bill today upon which I think perhaps the fate of the economy of this country will depend; that is, on whether we effectively carry out our support-price program to agriculture.

Without this program that is being carried out by the Commodity Credit Corporation I hate to think of what the levels of farm prices would be in this country today. The very heart and soul of any support-price program on your basic commodities is your storage facilities.

It is not going to do the farmer any good to have storage facilities five or ten thousand miles removed from his area of production. All of this fear and panic and charges of socialism that have been leveled at the efforts of this committee to pass an effective and workable bill certainly are not in agreement with the record of this Corporation since 1933.

Now instead of being a bill for the most important agency in Government to the farmers of this country, we are making this a warehouseman's bill, to gratify whatever fears may be in the hearts of some of the lobbyists or representatives of those various trade organizations.

I agree with what has been said, that if you are going to exempt a certain number and spell out those particular warehouse lines by name, then you ought to do something special for the grain people. Yet it was the effort of the grain people in the Eightieth Congress that caused the debacle that led to the fall of corn and wheat prices through the Middle West last year.

We do not know what conditions will obtain in cotton or tobacco or other crops needing storage. There is plenty of storage for cotton now, but the time might come when in certain particular areas the facilities would be inadequate. It might be necessary to acquire additional facilities for cotton and it might be necessary in the case of tobacco in certain instances; I hope it is not for the storage of pork or other commodities, but it might be. We hope that there will be plenty of available private storage in those areas where needed so that this storage can be had in the customary way

that Commodity Credit Corporation has always used.

The adequacy of your controls over this agency lies not only in the firm requirement to use private storage where available but also in the Committee on Appropriations and reports that the General Accounting Office makes to the committees of this Congress.

That is the control you want because it is an annual, reviewable control that can be changed as necessary. This bill, Mr. Chairman, is a permanent charter; we are not going to revise or renew this charter every 2 or 3 weeks or during the Congress and make quick changes to meet emergencies. So, what goes into this law is liable to become permanent restrictions on the Commodity Credit Corporation in their task to support prices. Possibly to deny in the charter certain warehouse facilities that might be the difference in seriously damaging the farmers on those products which happen to be in a glut.

This amendment that is before you exempting these cotton and tobacco warehouses, Mr. Chairman, does something that the author of the amendment does not wish to do, I am sure: It takes out from this bill in its entirety—and hear me, please, on this important point—it takes out in its entirety the consideration of anything to do with cotton or tobacco storage facilities.

What is the effect of that? The Commodity Credit Corporation has been negotiating a long time in making loans to tobacco and cotton cooperatives for the erection and construction of their storage. They have been engaged in transferring some surplus war buildings that might be used by private industry or by these cooperatives for storage purposes; and I say that this amendment takes out of this bill the consideration of such operations. They cannot consider loans to these very cooperatives that you want to help, since they cannot take mortgages on the properties to protect their loans.

It is a fear psychology that is working on this Congress and is going to destroy the effectiveness of an adequate program of production-area storage. Any agency that has had the record the Commodity Credit Corporation has over the years, not only in cooperating with but in making more money and profits for the warehousemen than they have ever made in a like period in their history should not now be charged with an effort to blot out and destroy through a socialist program these warehousemen that have been helped so much by the operations of this Corporation.

You have got the controls over this Corporation, adequate controls if the charter is passed, because their budget is reviewable every single year by the Appropriations Subcommittee on Agriculture of the House. You have heard the chairman of that subcommittee stand here and tell you that they can do nothing that is not authorized by them in the matter of any unusual operation such as the acquisition of large storage space. You also heard the statement that the General Accounting Office keeps men steadily engaged in

working with this Corporation and that they are charged with making regular reports to the Committee on Appropriations and to the other standing committees of this House that have jurisdiction.

So I hope in this closing hour of the debate we will not find the Eighty-first Congress making the grave error of passing legislation with a lot of prohibitions and suddenly finding ourselves faced with the same kind of emergency situation which caused such great damage before.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAND. Mr. Chairman, I rise in support of the amendment.

Mr. SPENCE. Mr. Chairman, will the gentleman yield?

Mr. HAND. I yield.

Mr. SPENCE. I wonder if we can agree to a limitation on the debate on this amendment?

Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The CHAIRMAN. The Clerk will take down the names of the Members seeking recognition.

The Chair recognizes the gentleman from New Jersey [Mr. HAND].

Mr. HAND. For how long, Mr. Chairman?

The CHAIRMAN. For 1 $\frac{3}{4}$ minutes.

Mr. HAND. Mr. Chairman, may I say that there has never been a time in all the history of this problem we are talking about that the refrigeration warehouse industry has not been entirely adequate for any purpose for which our economy may have needed it, including agriculture. As a matter of fact, at the present time its capacity is away underloaded.

I made reference a moment ago to the situation in New York City where only 40 percent of the privately owned refrigeration capacity is now being used, despite which the Commodity Credit Corporation itself is operating or causing to be operated for its account 3,000,000 cubic feet of refrigerated space where it is in direct competition with private industry.

In New England the coolers are 35 percent occupied, the freezers 70 percent; in the Middle Atlantic region 44 percent and 62 percent; East North Central 50 percent and 69 percent; West and North Central 51 percent and 83 percent; South Atlantic 51 percent and 30 percent; East South Central 62 percent and 86 percent; West South Central 68 percent and 65 percent; Mountain 49 percent and 59 percent; and Pacific 46 percent and 59 percent.

As a general rule not more than 50 percent of the refrigeration space capacity owned by private industry is now being used by the economy of this country.

There is just no sense in talking about any possible authority for the Commodity Credit Corporation to build refrigeration space. I would suggest that there are two classes of Members who would support this amendment—those who feel

that private industry should not be invaded by the Government where not necessary, and those who oppose extravagant expenditures on the part of the Government to duplicate facilities already adequate.

(Mr. HAND asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Tennessee [Mr. SUTTON] and the amendment to same by the gentleman from Ohio [Mr. YOUNG].

The pending bill gives the Commodity Credit Corporation very broad authority for the acquisition of storage facilities. Under the terms of this bill the Commodity Credit Corporation could build whatever additional storage facilities it saw fit, or it could make loans for their construction. In either case, the Commodity Credit Corporation could put the United States in the warehousing business.

To be sure, there is a restrictive provision in the bill, by providing that this authority to acquire real estate in order to provide storage facilities for any commodity shall not be used unless the Corporation determines that existing private storage facilities for such commodity are not adequate. There is also a provision to the effect that the Commodity Credit Corporation should, insofar as practicable, use the customary facilities for the warehousing of commodities.

The whole purpose of both of these provisions is to endeavor to make certain that the Corporation does not, as Government agencies and corporations are so prone to do, go beyond what is supposed to be its primary functions. We certainly do not want the Commodity Credit Corporation in the warehousing business, where the Federal Government, through the Corporation, owns hundreds of warehouses throughout the country competing with private business.

But the pending bill does not go far enough in this respect, and the amendments offered by the gentleman from Tennessee and the gentleman from Ohio correct the defect. As the bill now stands the Commodity Credit Corporation is simply admonished not to construct additional facilities unless existing storage facilities in the area are not adequate. But remember it is the Commodity Credit Corporation itself that determines whether the facilities are adequate.

The amendments offered by the two gentlemen simply provide that storage facilities are not to be acquired for cotton or tobacco, or for refrigerated cold storage, or for package products customarily stored commercially. There is nothing in the amendments which in any way restrict the Commodity Credit Corporation in its normal operations. We are not dealing with the commodities with which the Corporation normally deals or with any commodity where there is a storage demand.

There is no demand for storage facilities for cotton, so that is excluded by this Sutton amendment. There is no demand for storage facilities for tobacco, so that is also excluded by this Sutton amendment. The Senate excluded these two commodities in the companion bill that passed the Senate.

Likewise, there is no demand for cold storage facilities, and they too would be excluded under the Young amendment in substantial accordance with the action taken in the Senate.

As everyone knows, the Commodity Credit Corporation ordinarily deals with bulk products. It has nothing to do with package products customarily stored commercially, and so it is proposed to exclude that item by this amendment.

By the Sutton-Young amendments, Mr. Chairman, we seek to protect private enterprise from Government competition. I hope they will be adopted.

(Mr. CHURCH asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. CRAWFORD].

Mr. CRAWFORD. Mr. Chairman, I desire to ask the chairman of the Committee on Banking and Currency one or two questions. Does the bill now before us provide that the Commodity Credit Corporation may acquire property only for its own use or for the purpose of storing goods which the Commodity Credit Corporation does not own?

Mr. SPENCE. Only when existing facilities are inadequate.

Mr. CRAWFORD. I do not think that answers the question. I want to know if this bill authorizes the Commodity Credit Corporation to provide funds to finance storage beyond what the Commodity Credit Corporation needs for its own use?

Mr. SPENCE. No. There is no provision in the bill for that. The Commodity Credit Corporation would assist cooperatives, it could assist private enterprise in creating adequate storage facilities.

Mr. CRAWFORD. The bill does permit the Commodity Credit Corporation to lend money to private enterprise to build its own storage plants?

Mr. SPENCE. If the facilities are needed.

Mr. CRAWFORD. Mr. Chairman, I am in favor of the Young amendment and will support it if given a chance to vote on it.

The CHAIRMAN. The Chair recognizes the gentleman from Arkansas [Mr. GATHINGS].

Mr. GATHINGS. Mr. Chairman, the language to which the gentleman from Georgia [Mr. BROWN] referred to a few minutes ago, known as the Brown amendment, differs from the suggestion made by Mr. Todd, who represents the cotton warehousemen. Mr. Todd testified that he was of the opinion that authority should not be given the Commodity Credit Corporation to erect warehouses. He urged an exemption for cotton warehouses first and then, should

the committee fail to expressly exempt cotton warehouses, he suggested the following:

Provided however, That the Corporation shall not provide storage facilities for any commodity unless (and then only to the extent that, and only for the duration of any period during which) private capital and private industry fail to provide such facilities in adequate volume for the efficient storage of that commodity in accordance with the usual trade customs and practices.

The Brown amendment is as follows:

Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further,* That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities.

The Todd language differs from the Brown amendment in that the Commodity Credit Corporation could only provide the facilities for the existence of the shortage period, while the Brown amendment would permit the construction of warehouses when the Commodity Credit Corporation itself finds that "privately owned storage facilities in the area concerned are not adequate."

Under the Todd suggestion the industry must fail to provide "facilities in adequate volume in accordance with the usual trade customs and practices."

I am opposed to granting authority to the Commodity Credit Corporation to build competing warehouses to those of private enterprise when the warehouse companies are adequately serving its customers. That is the case in my section. I have heard of no cotton farmer who was deprived of warehouse service even during the bumper-crop year of 1948. It is unnecessary to give this authority here to this Government agency when marketing quotas and cotton acreage allotments will be put into effect in 1950 which will result in a sizable decrease in the production of cotton in 1950. I trust that the amendment of the gentleman from Tennessee [Mr. SUTTON] will be adopted.

(Mr. GATHINGS asked and was given permission to revise and extend his remarks.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Chairman, it seems to me that if we are going to do the fair thing we would exclude everyone or not vote for any of these amendments at all. The economy of our country includes the farmer and the worker, both of which constitute the great army of consumers of our country.

Mr. Chairman, we have here an attempt on the part of certain interests to divide this House, an attempt to di-

vide those representing agriculture, in the hope of getting those from the grain districts to vote against tobacco and cotton and, on the other hand, to make an appeal for the votes from the city districts to line up against cotton and tobacco, leaving grain out. It seems to me that is a very bad method for all of us to follow, particularly by those representing agricultural districts.

Nothing has been done, as far as I can observe, against private industry. There are provisions in this bill, and always have been in the law. The Commodity Credit Corporation stores up my way. I have had occasion to approach them on various occasions for private interests and the Commodity Credit Corporation has extended every consideration possible. I see no danger there, but I do believe that in case of an emergency this Corporation should have the power to step in when such an emergency exists and where agriculture is involved to assure adequate storage facilities, and I refer to an emergency such as developed last year. I have no farmers in my district, but I have no fear as to the contents of the bill and that the provisions of it will not be exercised properly. This is essentially legislation in the interest of the farmer, and without this legislation in this great industrial Nation of ours, where agriculture is a powerful secondary activity, agriculture will be in somewhat of a defenseless position unless effective legislation of this kind is enacted into law.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan [Mr. WOLCOTT].

Mr. WOLCOTT. Mr. Chairman, I believe this amendment should be adopted, and there are several reasons why it should be adopted.

In the first place, the warehouse industry, the cotton and tobacco warehouse industries and the cold storage industry, private enterprises, have invested, perhaps, hundreds of millions of dollars in their businesses. This bill would authorize, if this amendment is not adopted, the Commodity Credit Corporation to go into competition with this private enterprise.

On page 2 I call your attention to the fact that there is an inducement on the part of the Commodity Credit Corporation to go into business other than the storage of grain on which it has made loans. In line 11 you will notice that it can buy this real estate for storage purposes or otherwise to protect the financial interest of the Corporation. Now, there is no review from the findings of the Secretary of Agriculture that it is necessary to set up competing enterprise if it is to the financial interest of the Corporation to do so. This would constitute the authority to buy and construct storage facilities in these particular fields. Then, if the Secretary of Agriculture decided, in accordance with the language in line 18, that there were not sufficient storage facilities in a particular area; for example, if it was found that there were not sufficient storage facilities for cotton in the New England

area, the Secretary of Agriculture could, under the terms of this bill, build storage warehouses in the New England States and, of course, come in competition with existing warehouses and thereby be the means of putting private industry out of business.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Chairman, for 15 years the Commodity Credit Corporation had the power to invade the field of private enterprise. For 15 years it had all the powers that could be granted to a corporation organized under the laws of Delaware. There is not a single instance in all that time, with the great powers it possessed, that it ever once did invade that field, that it has not been scrupulous in handling only the affairs that are purely within its jurisdiction or indulged in competition with any private enterprise.

Now, the gentleman from Michigan has talked about the tobacco warehouses. My people, the farmers I represent, grow tobacco; it is their cash crop. The Secretary of Agriculture made a statement as to what would be his intention with reference to the storing and warehousing of tobacco. He said that he would adopt the same methods that are now in vogue; that the support prices would be maintained through the cooperatives and that the storage would be in the tobacco-auction warehouses as it has been in the past. That is his intention with regard to tobacco. I know it is his intention in regard to every other agricultural product.

This is just a bugaboo that should frighten no one. It looks to me as though the warehouse interests have been pretty active in contacting the Members of Congress and that the farmers, as usual, have stayed away.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. YOUNG] to the amendment offered by the gentleman from Tennessee [Mr. SUTTON].

The question was taken; and on a division (demanded by Mr. YOUNG) there were—ayes 113, noes 115.

Mr. HAND. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed as tellers Mr. YOUNG and Mr. BUCHANAN.

The Committee again divided; and the tellers reported that there were—ayes 126, noes 125.

So the amendment to the amendment was agreed to.

The CHAIRMAN. The question recurs on the amendment offered by the gentleman from Tennessee, as amended.

Mr. CHURCH. Mr. Chairman, I demand tellers.

Tellers were ordered; and the Chairman appointed Mr. SUTTON and Mr. BUCHANAN to act as tellers.

The Committee divided; and the tellers reported that there were—ayes 130, noes 133.

So the amendment was rejected.

Mr. PHILLIPS of California and Mr. SPENCE rose.

The CHAIRMAN. The Chair recognizes the gentleman from Kentucky, chairman of the committee.

Mr. SPENCE. Mr. Chairman, I move that all debate on the bill and all amendments thereto close in 20 minutes.

The CHAIRMAN. The question is on the motion.

The motion was agreed to.

Mr. YOUNG. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. YOUNG: On page 2, line 8, after the word "storage" insert the following: "(other than refrigerated cold storage and storage for goods and packaged products customarily stored commercially by the public warehousing industry or in general merchandise warehouses)."

Mr. SPENCE. Mr. Chairman, I make the point of order that the amendment is substantially the same as that which was decided by the Committee.

The CHAIRMAN. The Chair wishes to inquire of the gentleman from Ohio if this is the same text as the amendment which he offered to the Sutton amendment.

Mr. YOUNG. It has the same purpose; whether it is the same text or not, I would not say; but it is with the same purpose and intent. This amendment carried before.

The CHAIRMAN. The Chair did not inquire as to purport.

Mr. YOUNG. It is not the same language, Mr. Chairman. This is an amendment to the bill. My amendment to the amendment carried.

The CHAIRMAN. The Chair overrules the point of order and, without objection, recognizes the gentleman from Ohio for approximately 2 minutes.

There was no objection.

Mr. YOUNG. Mr. Chairman, this is a good bill that we are voting on today. The amendment to the bill now before you which I have offered makes this good bill a better bill, in my judgment.

The arguments have already been made on the floor here in support of and against this proposal, so I shall take no further time.

Mr. JUDD. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from Minnesota.

Mr. JUDD. What the gentleman's amendment does is to amend the bill itself and is an amendment which the Committee has already voted on favorably when a similar amendment was offered as an amendment to the Sutton amendment, is it not?

Mr. YOUNG. The gentleman's statement is correct. It has already been approved and involves cold-storage processed goods.

Mr. JUDD. A type of commodity about which there has not been any controversy or demonstrated need for storage, and if there is no need, why should authority be granted? I congratulate the gentleman

for reintroducing his amendment so that we can vote on it separately.

Mr. YOUNG. I thank the gentleman.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. YOUNG. I yield to the gentleman from New York.

Mr. KEATING. Does not the gentleman think that those from the cotton and tobacco areas who feel that this storage is necessary but who do not believe in the Government going into competition with private industry in the refrigeration business might well support the gentleman's amendment now, even though they did not before?

Mr. YOUNG. I hope so. This relates to cold storage and processed goods.

Mr. PHILLIPS of California. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. PHILLIPS of California. Mr. Chairman, will I be permitted to speak upon my own amendments which are at the desk?

The CHAIRMAN. Within the limitation of time as fixed by the Committee.

Mr. PHILLIPS of California. May I be permitted to have my amendments read and to speak on them?

The CHAIRMAN. The Clerk will at the proper time read the amendments offered by the gentleman from California.

Mr. SPENCE. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio [Mr. YOUNG].

Mr. Chairman, the gentleman from Minnesota has just congratulated the gentleman from Ohio for reoffering his amendment. It is the same amendment upon which we voted a short time ago.

Mr. JUDD. And which carried.

Mr. SPENCE. It seems to me that if we were as jealous of the interests of the farmers as we are of the interests of the warehouse people there would not be any trouble here this afternoon. We are very touchy about any invasion of the warehousemen's interest, but we seem to have forgotten the purpose for which this legislation is to be enacted, which is to give the farmers a support price and to furnish the facilities that are necessary for the storage of these products. I think in our zealotry to protect the warehousemen, we are probably forgetting the interests of the farmer.

Mr. ANGELL. Mr. Chairman, I rise in support of the pending amendment offered by the gentleman from Ohio [Mr. YOUNG]. I will also vote for the bill.

Mr. Chairman, in my opinion, this is a good amendment. We just voted on the amendment a moment ago and adopted it. However, at that time it was tied on to another amendment which was eventually defeated.

In the western area particularly we have a large number of storage warehouses. There is an immense investment in these warehouses and to a large extent they are vacant at the present time. Certainly we should not invade private industry by giving authority to any agency of government to expend

money to duplicate existing facilities if they are not needed.

If the pending amendment is adopted, the farmers will be adequately taken care of. I would not vote against their interests. In my opinion, there is no reason why we should not adopt the pending amendment.

Mr. KEATING. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield to the gentleman from New York.

Mr. KEATING. Is there not a danger, other than competition with private industry, in the fact that many men in the gentleman's area and in mine will be thrown out of jobs if we allow the Government to go into competition with private industry now operating these refrigerated warehouses?

Mr. ANGELL. The gentleman is correct.

Mr. CHURCH. Mr. Chairman, will the gentleman yield?

Mr. ANGELL. I yield to the gentleman from Illinois.

Mr. CHURCH. Then this is in the interest of the farmers and not, as the gentleman, the chairman of the committee, has just said, in the interest of just one group, the warehousemen.

Mr. ANGELL. Certainly it is in the interest of the farmers. The farmer will have adequate warehouse facilities if this amendment is adopted, and they will not have to pay taxes for duplicating existing facilities which are adequate to provide all needed warehousing. I hope this amendment will be adopted.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Chairman, it should be unnecessary to repeat again the arguments that have been already made against this type of amendment. I have no farmers in my district. There are some warehouses in the immediate vicinity of my district, but they do not need this protection, nor do the warehouses anywhere in the country need the protection that is sought by this amendment that is now being offered. The bill with the Brown amendment as we now have it before us says that before providing storage facilities for any commodity the Corporation must first determine that the existing privately owned storage facilities for such commodities in the area concerned are not adequate. Then, as further protection, the bill also provides that the Corporation must utilize the usual and customary channels, facilities, and arrangements in trade and commerce in the warehousing of commodities. There is no need for this amendment. You have ample opportunity to review the Corporation's activities and there are ample prohibitions in the bill as you have it before you. In addition, the Commodity Credit Corporation cannot carry on these activities without funds. It can get its funds only from our Appropriations Committee. We can be certain that the Corporation will get no funds from that source with which to compete with private industry. The amendment should be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. YOUNG].

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 119, noes 132.

So the amendment was rejected.

Mr. PHILLIPS of California. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PHILLIPS of California: On page 2, at line 25, strike out the period and the quotation marks and insert a semicolon and the following: "And provided further, To encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans not to exceed 17½ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made between the Corporation and the growers."

Mr. CASE of South Dakota. Will the gentleman yield?

Mr. PHILLIPS of California. I yield.

Mr. CASE of South Dakota. Your amendment makes the bill. Storage on the farm or as near as possible is the best place. It saves any possibility of a double haul if the farmer needs the grain later due to a hard winter. It provides dispersion of commodities, which is important in an atomic age. It contributes to solving the shortage in grain cars which has become so acute with the increase of combine threshing. Grain used to be stored in stacks, much of it, and with threshing strung along until Christmas, there was not the demand for immediate storage at harvest time that there is now. By all means this amendment should be adopted. It is the most important part of the bill.

Mr. PHILLIPS of California. Mr. Chairman, this is an important amendment. I agree with the gentleman from South Dakota. If it is thoroughly understood I do not believe there will be much objection to it.

The amendment provides that the Commodity Credit Corporation may advance to an individual grain grower 17½ cents per bushel to build a bin upon his own property, that money subsequently to be deducted from the money which would be paid the farmer under whatever contract he has.

This amendment in no way interferes with anything which is presently in the printed bill. If you are opposed to the bill, you can vote for this amendment because if the bill is carried this will make it a better bill. If you are for the bill as it has been printed and reported by the committee, you can vote for this amendment because it offers the farmer an opportunity to build the grain bins for himself and pay for it himself upon his own land. It is part of the program which the Commodity Credit Corporation has carried out to distribute the bins they already have and put them upon the farmer's land. This extends beyond that and makes it possible for the farmer to buy the bins and put them there himself.

Either you will spend 17.56 cents per bushel for storage in a large storage

warehouse and get nothing back, or you will vote to advance the farmer under this amendment 17.5 cents and get it all back. If put into use by the farmer, this could save \$20,000,000 to the Commodity Credit Corporation and thus to the taxpayer.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. PHILLIPS of California. I yield to the gentleman from Iowa.

Mr. JENSEN. There is no provision in the present law to make such loans to the farmers at the present time?

Mr. PHILLIPS of California. The gentleman is correct. There is nothing in the law which permits exactly what this amendment covers.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma [Mr. MONRONEY].

(Mr. MONRONEY asked and was given permission to revise and extend his remarks.)

Mr. MONRONEY. Mr. Chairman, this amendment on the face of it looks like a very good amendment because it does attempt to carry out one of the things the Commodity Credit Corporation has sought for many years to do, that is, provided a considerable amount of grain storage on the farms of this country.

When you study the amendment a little bit closer and look at what it attempts to do, I think you will find it would favor the securing of wooden grain storage on the farms over steel bins which are more modern and more durable.

Under the limit provided in the amendment, that loans shall be made in an amount not exceeding 17.5 cents per bushel, the financing of steel grain storage will not be helped, but the amendment will help to finance wooden grain storage, which the Commodity Credit Corporation, as has been brought out earlier in this debate, has been getting rid of and selling off to the farmers.

Thus, this amendment is in the nature of a limiting amendment on the powers that the Corporation now has to make loans to the farmers for farm storage. The Corporation can fix its own terms under present law to encourage farm storage. It can increase the present farm storage rate from 7 cents per bushel to an amount necessary to help finance additional farm storage.

This amendment however limits—it does not add to—their authority to help provide farm storage through loans.

This amendment was not presented to the committee, if I remember correctly, for more careful consideration and study, before it was offered here on the floor.

The Department of Agriculture is opposed to this, not only because they think it will hamper an adequate well balanced farm storage program of long-range benefit through steel bins, but also it will limit the flexibility of area of production grain storage. That is because if you put enough or all of this storage on the farms, you are going to get a great deal more storage capacity on the farms which will perhaps not be needed.

Whereas the need for adequate storage oftentimes is the track-side storage in an area of production where you have

a glut in one particular year. The Commodity Credit Corporation needs to use some of the money it has for storage to go in and build these emergency storage facilities where the crops are flooding in to keep them there as long as this glut exists in that area. Then, when they are no longer needed, they can be moved off to another area where they are needed.

This amendment might possibly have the effect of concentrating the entire storage on the farms. I am sure this will have the effect of encouraging wooden bin storage as against steel storage.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa [Mr. MARTIN].

Mr. MARTIN of Iowa. Mr. Chairman, yesterday I spoke about the desirability of having a tax incentive added to this legislation. But that amendment would be subject to a point of order. So I am withholding that amendment and am supporting the amendment offered by the gentleman from California because it is a step in the right direction, as testified to here by the opponents to the amendment, as well as by the proponents, of helping create storage. What I am interested in is adequate storage for farm crops, preferably on the farm. That is where I want most to see this storage. But I also want a tax incentive to help not only the farm storage program, under private ownership and control, but also so that we may have track-side or country-point warehousing, and terminal-point warehousing storage. What we want, after all, is conservation of the crops. I am tired of seeing the Government departments come here trying to channel everything down the narrow groove of Government bureaucracy and Government control. I would like to see more freedom and greater power in the hands of the farmer himself, and the warehouseman himself. This amendment is a step in that direction. If Congress is sincerely interested in trying to help the farmer and helping the American people conserve crops, Congress certainly will support the amendment offered by the gentleman from California here under consideration. Also, you will supplement that with support of my bill, H. R. 1553, which is now before the Committee on Ways and Means, which provides a tax incentive as well for the creation of privately owned storage facilities under private control. That is the objective which I am trying to help along in the consideration of this whole crop storage program and it is an objective worthy of the wholehearted support of Congress.

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts [Mr. HERTER].

Mr. HERTER. Mr. Chairman, I yield to the gentleman from North Dakota [Mr. BURDICK].

Mr. BURDICK. Mr. Chairman, I hope this amendment prevails. You are putting the storage right back on the farms where it belongs, and it is not going to cost the Government one cent. The money, which is advanced to build these bins, amounting to 17 cents a bushel, is the exact cost of storage in one of the terminals of this country for 12 months. Let the farmer use the kind of granary that he wants. If he wants a steel gran-

ary, let him build that. If he wants a bin built of lumber, let him have that. Let him build any kind of building that he wants. When he gets it built, he will own it. It will only take 2 years for him to own that building and the Government will be out of it. It seems to me if you want storage where it belongs, you will have it with the farmers themselves.

Mr. JENSEN. Mr. Chairman, will the gentleman yield?

Mr. HERTER. I yield.

Mr. JENSEN. I want to compliment the gentleman. He is exactly right.

The CHAIRMAN. The Chair recognizes the gentleman from New York [Mr. GAMBLE].

Mr. GAMBLE. Mr. Chairman, I rise in favor of the amendment and I yield to the gentleman from Iowa [Mr. TALLE].

Mr. TALLE. Mr. Chairman, the gentleman from Oklahoma [Mr. MONRONEY] just stated that the Department of Agriculture is eager to get rid of wooden bins and does not favor their use. I invite my colleagues to turn to page 20 of the hearings, where I asked the Secretary of Agriculture the following questions:

Mr. TALLE. A number of people write to me and say they would like to furnish wooden bins to farmers who need them. What shall I tell them after your statement this morning?

Secretary BRANNAN. I hope you will tell them to be prepared to furnish wooden bins. We are again in the position where any kind of storage bin we can get our hands on or the American farmer can get his hands on, will be needed.

Mr. TALLE. In other words, it is doubtful whether you can get enough steel?

Secretary BRANNAN. That is right.

That should establish once and for all the fact that the Secretary of Agriculture is on record, on pages 20 and 21 of the hearings, in favor of wooden bins. The amendment should be adopted.

Mr. PHILLIPS of California. Mr. Chairman, will the gentleman yield to me?

Mr. GAMBLE. I yield.

Mr. PHILLIPS of California. There is nothing in the amendment that has anything to do with steel or wood. There is nothing that compels him to use either. It is entirely discretionary.

The CHAIRMAN. The time of the gentleman from New York [Mr. GAMBLE] has expired.

Mr. JOHNSON. Mr. Chairman, I support this bill H. R. 2632, because of the interest which the port of Stockton, Calif., has in this legislation. Our port was built about 20 years ago. Although inland about 80 miles from the Golden Gate, we are able to accommodate practically any size ocean boat as our turning basin and the channel is 34 feet deep.

At the port terminal we have a cotton compress, which is being paid for by the port district. We are a logical export port for the cotton raised in California. The haul from the cotton section in the San Joaquin Valley is an easy down hill haul to Stockton.

We are anxious to get a warehouse that can store cotton awaiting shipment out of the port of Stockton. If the Secretary of Agriculture and the Commodity Credit Corporation will give us a lift, we think

they can help us finance such a warehouse and the port will make suitable arrangements to pay back the cost of the investment with interest. This bill seems to give that authority, although it may not directly build the warehouse—at least not by the use of CCC funds. But if they recognize the need for the warehouse and I have been assured that they do, the Secretary might make a thorough study of the need for this warehouse, which might be submitted to the RFC in the event a loan for that purpose is sought by the port district. It seems to me that would be a distinct help to the cotton growers of our State.

I insert, under leave granted me, a statement on the rate structure to and from Stockton and also on the production of cotton in California and Arizona, which might logically be shipped out of the port of Stockton:

COMPARISON OF TRANSPORTATION COSTS ON CALIFORNIA COTTON

Rail rates to ports (CIT):
California origins to California ports, 20 cents per hundredweight.
California origins to Gulf ports, \$1.23 per hundredweight.
Additional rail freight cost to move cotton to Gulf ports, 99 cents per hundredweight, or \$4.95 per bale.
Ocean freight charges:
California ports to Orient, \$1.4875 per hundredweight.
Gulf ports to Orient, \$1.96 per hundredweight.

Savings available via California ports, \$0.475 per hundredweight, or \$2.3625 per bale.

COTTON PRODUCTION, 1948 SEASON

Acreage planted to cotton, 1948:
California, 810,000 acres.
Arizona, 275,000 acres.
Bales produced, 1948:
California, 973,545 bales.
Arizona, 331,995 bales.

ESTIMATED COTTON-STORAGE CAPACITY

California, 500,000 flat bales. (See note 1.)
Arizona, 100,000 flat bales. (See note 2.)
NOTE 1.—This figure includes maximum capacity including facilities of cotton compresses. Capacity of compress space should be deducted because they cannot be tied up with dead storage and still transit other cotton. According to our information, capacity outside of compresses does not exceed 100,000 bales at this time.

NOTE 2.—This figure includes capacity of cotton compresses which must be deducted to compute capacity for dead storage. Capacity aside from compress areas does not exceed 40,000 bales according to best available estimates.

General note: Arizona figures have been included above because normally Arizona cotton should economically move through California gateways.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. PHILLIPS].

The question was taken; and on a division (demanded by Mr. PHILLIPS of California) there were—ayes 128, nays 123.

Mr. SPENCE. Mr. Chairman, I demand tellers.

Tellers were ordered, and the Chairman appointed Mr. PHILLIPS of California and Mr. BUCHANAN to act as tellers.

The Committee again divided; and the tellers reported that there were—ayes 144, noes 139.

So the amendment was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 2632) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, pursuant to House Resolution 203, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 326, nays 52, not voting 53, as follows:

[Roll No. 94]

YEAS—326

Abbott	Case, S. Dak.	Gordon
Abernethy	Cavaleante	Gore
Addonizio	Celler	Gorski, N. Y.
Albert	Chelf	Gossett
Allen, Calif.	Chesney	Granahan
Allen, Ill.	Chipfield	Granger
Allen, La.	Christopher	Grant
Andersen	Chudoff	Green
H. Carl	Cole, N. Y.	Gregory
Anderson, Calif.	Colmer	Gross
Andresen	Combs	Hagen
August H.	Cooley	Halleck
Andrews	Cooper	Harden
Angell	Corbett	Hardy
Arends	Cox	Hare
Aspinall	Crawford	Harris
Auchincloss	Crook	Harrison
Barden	Crosser	Hart
Barling	Cunningham	Harvey
Barrett, Wyo.	Curtis	Havener
Bates, Ky.	Davenport	Hays, Ark.
Battle	Davis, N. Y.	Hays, Ohio
Beckworth	Davis, Ga.	Hedrick
Bennett, Fla.	Davis, Tenn.	Heller
Bennett, Mich.	Davis, Wis.	Herlong
Bentsen	Dawson	Herter
Biemiller	Deane	Heseltun
Blackney	DeGraffenried	Hill
Blatnik	Delaney	Hinshaw
Boggs, La.	Denton	Hoeven
Bolling	D'Ewart	Hoffman, Ill.
Bolton, Md.	Dollinger	Hoffman, Mich.
Bolton, Ohio	Dolliver	Hollifield
Bonner	Dondero	Holmes
Bosone	Donohue	Hope
Boykin	Doughton	Howell
Bramblett	Douglas	Huber
Breen	Doyle	Irving
Brehm	Durham	Jackson, Wash.
Brooks	Eberharter	Jacobs
Brown, Ga.	Elliott	Javits
Brown, Ohio	Ellsworth	Jenison
Bryson	Engle, Calif.	Jenkins
Buchanan	Evins	Jensen
Buckley, Ill.	Feighan	Johnson
Burdick	Fernandez	Jones, Ala.
Burke	Fisher	Jones, Mo.
Burleson	Flood	Jones, N. C.
Burnside	Fogarty	Judd
Burton	Forand	Karst
Byrne, N. Y.	Frazier	Karsten
Byrnes, Wis.	Fulton	Kearney
Camp	Furcolo	Kee
Cannon	Garomat	Keefe
Carlyle	Gary	Kennedy
Carnahan	Gathings	Kerr
Carroll	Golden	Kilday

Kling	Nelson	Sims
Klein	Nixon	Smathers
Kruse	Norblad	Smith, Kans.
Lane	Norrell	Smith, Va.
Lanham	Norton	Smith, Wls.
Larcade	O'Brien, Mich.	Spence
Latham	O'Hara, Ill.	Stanley
LeCompte	O'Hara, Minn.	Steed
Lesinski	O'Konski	Stefan
Lind	O'Neill	Stigler
Llinahan	O'Sullivan	Stockman
Lovre	Pace	Sullivan
Lyle	Passman	Sutton
Lynch	Patman	Tackett
McCarthy	Patten	Talle
McCormack	Patterson	Tauriello
McCulloch	Perkins	Teague
McDonough	Peterson	Thompson
McGrath	Pfelfer,	Thornberry
McGregor	William L.	Tollefson
McGuire	Philbin	Trimble
McKinnon	Phillips, Calif.	Underwood
McMillan, S. C.	Pickett	Van Zandt
McMillen, Ill.	Poage	Velde
McSweeney	Polk	Vursell
Mack, Ill.	Potter	Wagner
Mack, Wash.	Powell	Walsh
Madden	Preston	Walter
Magee	Price	Welch
Mahon	Priest	Welch, Calif.
Mansfield	Rabaut	Welch, Mo.
Marcantonio	Rankin	Werdell
Marsalis	Redden	Wheeler
Marshall	Rees	White, Calif.
Martin, Iowa	Rhodes	White, Idaho
Martin, Mass.	Ribicoff	Whitten
Marrow	Riehlman	Whittington
Meyer	Rodino	Wickersham
Michener	Rogers, Fla.	Wier
Miles	Rogers, Mass.	Williams
Miller, Calif.	Rooney	Willis
Miller, Nebr.	Sabath	Wilson, Ind.
Mills	Sadiak	Wilson, Okla.
Mitchell	Sadowski	Wilson, Tex.
Monroney	Sanborn	Winstead
Morgan	Sasser	Withrow
Morris	Scott,	Wolverton
Morton	Hugh D., Jr.	Wood
Moulder	Scrivner	Woodhouse
Multer	Scudder	Worley
Murdoch	Short	Yates
Murphy	Sikes	Young
Murray, Tenn.	Simpson, Ill.	Zablocki

NAYS—52

Bates, Mass.	Graham	Miller, Md.
Beall	Hale	Nicholson
Bishop	Hall,	Poulson
Boggs, Del.	Leonard W.	Reed, Ill.
Canfield	Hand	Reed, N. Y.
Case, N. J.	Jackson, Calif.	Rich
Church	James	St. George
Cole, Kans.	Kean	Scott, Hardie
Cotton	Keating	Shafer
Dague	Keogh	Simpson, Pa.
Elston	Kunkel	Taber
Fallon	LeFevre	Thomas, Tex.
Fellows	Lichtenwalter	Towe
Fenton	Lodge	Vorrs
Ford	Lucas	Wigglesworth
Gamble	McConnell	Wolcott
Gavin	Macy	Woodruff
Goodwin	Mason	

NOT VOTING—53

Bailey	Hébert	Phillips, Tenn.
Barrett, Pa.	Heffernan	Plumley
Bland	Hobbs	Quinn
Buckley, N. Y.	Horan	Rains
Bulwinkle	Hull	Ramsay
Chatham	Jennings	Regan
Clemente	Jonas	Richards
Clevenger	Kearns	Rivers
Coudert	Kelley	Secrest
Dingell	Kilburn	Sheppard
Eaton	Kirwan	Smith, Ohio
Engel, Mich.	Lemke	Staggers
Fugate	Morrison	Taylor
Gillette	Murray, Wis.	Thomas, N. J.
Gilmer	Noland	Vinson
Gorski, Ill.	O'Brien, Ill.	Wadsworth
Gwinn	O'Toole	Whitaker
Hall,	Pfelfer,	
Edwin Arthur	Joseph L.	

Mr. RANKIN (interrupting the calling of the roll). Mr. Speaker, a point of order. Only one bell was rung in the Old House Office Building. There should have been at least two. The Members there do not know that this is a roll call. The bells should be rung twice.

The SPEAKER pro tempore (Mr. KEOGH). The Chair will see to it that the bells are rung.

Mr. RANKIN. Let them be rung now, Mr. Speaker, so that Members there will know that this is a roll call.

The SPEAKER pro tempore. The Chair will see that that is done.

(The Clerk completed the calling of the roll.)

So the bill was passed.

The Clerk announced the following pairs:

General pairs until further notice:

Mr. Noland with Mr. Wadsworth.
Mr. Staggers with Mr. Eaton.
Mr. Chatham with Mr. Coudert.
Mr. Morrison with Mr. Lemke.
Mr. O'Brien of Illinois with Mr. Kilburn.
Mr. Joseph L. Pfelfer with Mr. Plumley.
Mr. Gilmer with Mr. Phillips of Tennessee.
Mr. Rains with Mr. Engel of Michigan.
Mr. Kelley with Mr. Gillette.
Mr. Secrest with Mr. Gwinn.
Mr. Whitaker with Mr. Horan.
Mr. Barrett of Pennsylvania with Mr. Jensen.
Mr. Gorski of Illinois with Mr. Jonas.
Mr. Vinson with Mr. Kearns.
Mr. Clemente with Mr. Taylor.
Mr. Quinn with Mr. Smith of Ohio.
Mr. Heffernan with Mr. Edwin Arthur Hall.

Mr. VAN ZANDT and Mr. CORBETT changed their vote from "no" to "aye."

Mr. GOODWIN and Mr. CANFIELD changed their vote from "aye" to "no."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes; that all after the enacting clause be stricken out and the provisions of H. R. 2682, to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, be substituted.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill as follows:

Be it enacted, etc., That section 4 (h) of the Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire by lease, purchase, or otherwise real property or any interest therein for the purpose of providing storage (other than storage for cotton, tobacco, and refrigerated cold storage) adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation and, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. In effecting such

exchange of goods, normal commercial trade channels shall be utilized insofar as practicable and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act, supra; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate; *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities."

"Sec. 2. In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

Sec. 3. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"Sec. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil-service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 ed., 661)."

Sec. 4. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended by inserting after the sentence, "No suit by

or against the Corporation shall be allowed unless it shall have been brought within 4 years after the right accrued on which suit is brought," the following sentence: "The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such 4-year period of limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."

SEC. 5. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or a combination of those three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

SEC. 6. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors: The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the 'Board'). The Board shall consist of seven members. The Secretary of Agriculture, or his nominee, shall be a member of the Board and the remaining members shall be appointed by the President by and with the advice and consent of the Senate. The chairman of the Board shall be selected by the Board. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present. The appointed directors shall serve for a period of 5 years, except that the terms of the first Board shall be shortened to provide for replacement or reappointment of its members in number as nearly equal as practicable in each year. The power of removal shall be vested in the President of the United States. The Corporation may provide, by its bylaws, for the compensation to be paid the directors: *Provided*, That the compensation paid any director shall not exceed in the aggregate \$10,000 per annum: *And provided further*, That employees of the Corporation or any department or agency of the Federal Government, if also directors, shall not receive additional compensation for their services on the Board."

With the following committee amendment:

Strike out all after the enacting clause and insert "That section 2 of the Commodity Credit Corporation Charter Act (Public Law No. 806, 80th Cong.) is amended by deleting the words 'direction and control of its Board of Directors' at the end of the said section and substituting therefor the words 'supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary")."

"SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: 'The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or

lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans not to exceed 17½ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers."

"SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the "Board"), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board, and action shall be taken only by a majority of those present."

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling ex-

penses while going to and coming from meetings."

"SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

"SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

"(a) by inserting in the second sentence thereof after the word 'jurisdiction' a comma and the following: 'without regard to the amount in controversy;';

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: 'No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within 6 years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within 3 years after the disability shall have ceased or within 6 years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit.'; and

"(c) by inserting before the period at the end thereof a comma and the following: 'except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this act, be brought in such court'."

"SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation,' or a combination of these three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

"SEC. 7. The act, entitled 'An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad,' approved August 11, 1939, is amended to read as follows: 'That, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to ac-

cept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

By unanimous consent the proceedings whereby the bill (H. R. 2682) to amend the Commodity Credit Corporation Charter Act, the Strategic and Critical Materials Stock Piling Act, and for other purposes, was passed, were vacated and the bill was laid upon the table.

GENERAL LEAVE TO EXTEND

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that all Members may have five legislative days within which to extend their remarks upon the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. JOHNSON. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed immediately following the Phillips amendment, and to include therein extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

GULF STATES MARINE FISHERIES COMMISSION

Mr. THOMPSON submitted the following conference report and statement on Senate Joint Resolution 42, granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf coast and creating the Gulf States Marine Fisheries Commission:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the joint resolution (S. J. Res. 42) granting the consent and

approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

The amendment is as follows:

Page 6, line 16, after the word "limit", insert "or add to".

SCHUYLER OTIS BLAND,
CLARK W. THOMPSON,
ALVIN F. WEICHEL,
VICTOR WICKERSHAM,
THOR C. TOLLEFSON,

Managers on the Part of the House.

LYNDON B. JOHNSON,
HERBERT R. O'CONOR,
OWEN BREWSTER,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on disagreeing votes of the two Houses on the amendment of the House to the joint resolution (S. J. Res. 42) granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf Coast and creating the Gulf States Marine Fisheries Commission, submits the following statement which was agreed upon by the conferees and recommended in the accompanying conference report:

That the Senate recede from its disagreement to the amendment of the House and agree to the same.

The House amendment is as follows:

On page 6, line 16, after the word "limit", insert "or add to".

SCHUYLER OTIS BLAND,
CLARK W. THOMPSON,
ALVIN F. WEICHEL,
VICTOR WICKERSHAM,
THOR C. TOLLEFSON,

Managers on the Part of the House.

CORRECTION OF ROLL CALL

Mr. PRICE. Mr. Speaker, in the RECORD of May 9, on roll call No. 90, I am listed as being absent. I was present and answered to my name. I therefore ask that the RECORD and Journal may be corrected accordingly.

The SPEAKER. Without objection, the permanent RECORD and the Journal will be corrected accordingly.

There was no objection.

EXTENSION OF REMARKS

Mr. BOYKIN (at the request of Mr. MILLER of California) was given permission to extend his remarks in the Appendix of the RECORD and to include extraneous matter.

Mr. JACKSON of Washington (at the request of Mr. MILLER of California) was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. WHITE of California asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Washington Post.

Mr. HELLER asked and was given permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. LANE asked and was given permission to extend his remarks in the Appendix of the RECORD in three separate

instances and in each to include extraneous matter.

Mr. CARROLL asked and was given permission to extend his remarks in the Appendix of the RECORD and include two articles.

Mr. DAVENPORT asked and was given permission to extend his own remarks in the Appendix.

Mr. ROONEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an article from the Brooklyn Eagle.

Mr. McCULLOCH asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial from the Cleveland Plain Dealer.

Mr. NIXON asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and include extraneous matter.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in three instances, in each to include extraneous matter.

Mr. JUDD. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include a brief on compulsory health insurance. I am informed by the Public Printer that this will exceed two pages of the RECORD and will cost \$581.25, but I ask that it be printed notwithstanding that fact.

The SPEAKER. Without objection, notwithstanding the cost, the extension may be made.

[The matter referred to will appear hereafter in the Appendix.]

Mr. KEE asked and was given permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

SPECIAL ORDER GRANTED

Mr. JAVITS asked and was given permission to address the House for 15 minutes on Tuesday next after disposition of matters on the Speaker's desk and at the conclusion of any special orders heretofore entered.

PERMISSION TO ADDRESS THE HOUSE

Mr. PHILLIPS of California. Mr. Speaker, I ask unanimous consent to address the House for 3 minutes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. PHILLIPS of California. Mr. Speaker, during the discussion on the bill H. R. 2682 I had pending at the desk two amendments. I did not offer the first amendment because a limitation of time had been set, and because of the confusion which was arising at that time.

May I say now the reason I did not offer it was because the same situation existed in the House at that moment as existed in the other body at a comparable moment during the discussion of the bill S. 900, which is the similar bill over in the other body. The distinguished Senator and former Secretary of Agriculture in charge of the bill in the other body had given his assurance that the intent of the Commodity Credit Corpo-

ration and the understanding of the provisions of the bill were strictly in accord with the terms of an amendment which several Senators were about to offer.

During the discussion in the committee today the distinguished gentleman from Kentucky, chairman of the Committee on Banking and Currency [Mr. SPENCE], and other Members, have given those same statements and assurances. I felt at the time, therefore, it might cause additional confusion and unnecessary discussion. I want, however, to put in the RECORD at this point my understanding that these assurances have been given and that it is not the intent of the Corporation to acquire storage facilities or to make loans to other than grain growers until the full extent of additional farm storage is determined.

In addition to that rather formal statement, may I say that I particularly appreciate the support of the Members for the amendment which I offered because of the very short time I had to offer and explain it. I take particular pride, Mr. Speaker, that in the teller vote which was ordered, every Republican Member of the House voted in favor of the amendment.

ENROLLED BILL SIGNED

Mrs. NORTON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 2440. An act to authorize the Public Housing Commissioner to sell the suburban resettlement projects known as Greenbelt, Md.; Greendale, Wis.; and Greenhills, Ohio, without regard to provisions of law requiring competitive bidding or public advertising.

ADJOURNMENT

Mr. HARE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 58 minutes p. m.), the House adjourned until tomorrow, Thursday, May 12, 1949, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

610. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the fiscal year 1950 in the amount of \$374,415 for the legislative branch in the form of amendments to the budget for said fiscal year (H. Doc. No. 177); to the Committee on Appropriations and ordered to be printed.

611. A letter from the Under Secretary of Agriculture, transmitting a draft of a proposed bill entitled "A bill to amend the Agricultural Adjustment Act of 1933"; to the Committee on Agriculture.

612. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of a bill entitled "A bill to authorize the Commissioners of the District of Columbia to appoint contracting officers to make contracts in amounts not exceeding \$5,000"; to the Committee on the District of Columbia.

613. A letter from the President, Board of Commissioners, District of Columbia, trans-

mitting a draft of a bill entitled "A bill to remove the requirements of residence in the District of Columbia for membership on the Commission on Mental Health"; to the Committee on the District of Columbia.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HERLONG: Committee on Post Office and Civil Service. H. R. 4498. A bill to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes; without amendment (Rept. No. 563). Referred to the Committee of the Whole House on the State of the Union.

Mr. HART: Committee on Merchant Marine and Fisheries. House Joint Resolution 235. Joint resolution to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes; with an amendment (Rept. No. 564). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 2170. A bill declaring children of competent Crow Indians to be competent members of the Crow Tribe; with an amendment (Rept. No. 567). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURDOCK: Committee on Public Lands. S. 690. A bill to authorize the furnishing of water to the Yuma auxiliary project, Arizona, through the works of the Gila project, Arizona, and for other purposes; without amendment (Rept. No. 568). Referred to the Committee of the Whole House on the State of the Union.

Mr. BATTLE: Committee on Foreign Affairs. H. R. 2785. A bill to provide for further contributions to the International Children's Emergency Fund; without amendment (Rept. No. 569). Referred to the Committee of the Whole House on the State of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. CHELF: Committee on the Judiciary. H. R. 2252. A bill for the relief of Orren J. Lucht; with an amendment (Rept. No. 565). Referred to the Committee of the Whole House.

Mr. FEIGHAN: Committee on the Judiciary. H. R. 3127. A bill to authorize the admission into the United States of Jacob Gross, a minor; without amendment (Rept. No. 566). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. FOGARTY:

H. R. 4633. A bill to implement and augment existing statutes so as to increase the prevailing immigration quota for Greece; to the Committee on the Judiciary.

H. R. 4634. A bill to exempt from the manufacturers' excise tax typewriters intended for educational purposes; to the Committee on Ways and Means.

By Mr. BUCKLEY of Illinois:

H. R. 4635. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such families, and for other purposes; to the Committee on Banking and Currency.

By Mr. JENKINS:

H. R. 4636. A bill to eliminate or reduce certain excise taxes; to the Committee on Ways and Means.

By Mr. KEATING:

H. R. 4637. A bill to provide for the erection of headstones for certain members of the armed forces buried outside the United States, lost at sea, or reported missing in the performance of duty; to the Committee on Armed Services.

By Mr. LANHAM:

H. R. 4638. A bill to prohibit departments, establishments, agencies, offices, and instrumentalities of the United States from accepting, or having membership representation, in societies, associations and other membership organizations, not wholly owned or controlled by the United States, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. VINSON:

H. R. 4639. A bill to amend the Officer Personnel Act of 1947, as amended, so as to authorize the Secretary of the Navy to adjust the lineal positions of certain officers of the staff corps of the Navy, and for other purposes; to the Committee on Armed Services.

By Mr. NELSON:

H. R. 4640. A bill to direct the Administrator of Veterans' Affairs to convey certain land to the State of Maine for highway purposes; to the Committee on Veterans' Affairs.

By Mr. ENGLE of California:

H. R. 4641. A bill to authorize the Secretary of Agriculture to accept title to certain land owned or to be acquired by the county of Plumas, State of California, and in exchange therefor to convey to Plumas County certain land owned by the United States in said county; to the Committee on Agriculture.

By Mr. PETERSON:

H. R. 4642. A bill to amend title 6 of the United States Code to provide for the issuance by the United States of official bonds covering Government officers and employees without charge to such officers and employees, and for other purposes; to the Committee on Expenditures in the Executive Departments.

By Mr. BARDEN:

H. R. 4643. A bill to provide for Federal financial assistance to the States in bearing certain costs of public elementary and secondary school education; to the Committee on Education and Labor.

By Mr. BOGGS of Louisiana:

H. R. 4644. A bill extending section 1302 (a) of the Social Security Act, as amended; to the Committee on Ways and Means.

By Mr. FEIGHAN:

H. R. 4645. A bill to authorize certain administrative expenses for the Department of Justice, and for other purposes; to the Committee on the Judiciary.

By Mr. BROOKS:

H. R. 4646. A bill to authorize the Secretary of the Army to lend certain property of the Department of the Army to national veterans' organizations for use at national youth tournaments; to the Committee on Armed Services.

By Mrs. DOUGLAS:

H. R. 4647. A bill to provide authorization for additional funds for the extension and improvement of post-office facilities at Los Angeles, Calif., and for other purposes; to the Committee on Public Works.

By Mr. MACK of Illinois:

H. R. 4648. A bill to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide liberalized credit to reduce the cost of housing for such

families, and for other purposes; to the Committee on Banking and Currency.

By Mr. COOLEY:

H. Res. 210. Resolution to provide funds for the expenses of the studies and investigations authorized by House Resolution 112; to the Committee on House Administration.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Delaware, relative to their Senate Resolution 45 opposing a national compulsory sickness insurance program; to the Committee on Interstate and Foreign Commerce.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADDONIZIO:

H. R. 4649. A bill for the relief of Mario Penque; to the Committee on the Judiciary.

By Mr. ANDERSON of California:

H. R. 4650. A bill for the relief of Bank of America National Trust and Savings Association; to the Committee on the Judiciary.

H. R. 4651. A bill for the relief of James Patrick McBride; to the Committee on the Judiciary.

By Mr. BARTLETT:

H. R. 4652. A bill for the relief of Tom W. Schuit; to the Committee on the Judiciary.

By Mr. BYRNE of New York:

H. R. 4653. A bill for the relief of the New York Quinine & Chemical Works, Inc.; Merck & Co., Inc.; and Mallinckrodt Chemical Works; to the Committee on the Judiciary.

By Mr. HEFFERNAN:

H. R. 4654. A bill for the relief of Celestino Fernandez; to the Committee on the Judiciary.

By Mr. LANE:

H. R. 4655. A bill to provide for the award of a suitable medal to George E. Clark; to the Committee on Banking and Currency.

By Mr. LICHTENWALTER:

H. R. 4656. A bill for the relief of Mrs. Bertha Keene; to the Committee on the Judiciary.

By Mr. LUCAS:

H. R. 4657. A bill for the relief of J. R. Fleming & Co.; to the Committee on the Judiciary.

By Mr. ZABLOCKI:

H. R. 4658. A bill for the relief of Jerzy Pietron; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

826. By Mr. DONDERO: Memorial of the Michigan Legislature, making application to the Congress for the calling of a convention to propose an amendment to the Constitution of the United States in reference to the use of the taxing power to produce revenue beyond a legitimate necessity of a Federal Government other than defense needs, etc.; to the Committee on the Judiciary.

827. By Mr. FORAND: Resolution of the Town Council of West Warwick, R. I., memorializing the Congress of the United States to pass, and the President of the United States to approve, if passed, the General Pulaski's Memorial Day resolution now pending in Congress; to the Committee on the Judiciary.

828. By Mr. ROONEY: Petition of Mr. and Mrs. Harold Olsen and sundry other residents and citizens of Brooklyn, N. Y., in opposition to the reduction of the Veterans' Administration hospital program and opposing the transfer of the Veterans' Administration district office from New York to Boston; to the Committee on Veterans' Affairs.

829. By Mr. SABATH: Resolutions adopted by the American Defenders of Bataan and Corregidor, Inc., Boston, Mass., at their annual convention in Atlantic City April 9, 1949, asking that the United Nations be strengthened to secure cooperation of all nations to maintain a lasting peace; to the Committee on Foreign Affairs.

830. By the SPEAKER: Petition of John W. McVay, president, Texas Feed Manufacturers Association, San Antonio, Tex., urging Congress to permit private enterprise to engage in the exportation of grain, grain products, flour, and manufactured feed in an open market unhampered by governmental control; to the Committee on Banking and Currency.

831. Also, petition of Benjamin Mejia Martinez, president, Salvadoran Railroad Workers Union, San Salvador, El Salvador, requesting the dismissal of Mr. Wilson because of 5 days' strike and asking for mediation; to the Committee on Foreign Affairs.

832. Also, petition of Texas Federation of Cooperatives, Dallas, Tex., requesting a full investigation of the organizations attacking farmer cooperatives and complicity and

publication of a list of all contributions to such organizations for the past 3 years; to the Committee on Rules.

833. Also, petition of Edward W. Woods, Williamsport, Pa., relative to certain inconsistencies on taxation existing in our Internal Revenue Act; to the Committee on Ways and Means.

834. Also, petition of C. J. Baumann, Jr., chairman, Wisconsin State Dental Society, Milwaukee, Wis., requesting the Congress not to enact any legislation containing the principle of compulsory health insurance; to the Committee on Interstate and Foreign Commerce.

835. Also, petition of Mrs. Edwin S. Lambers, National Society, Daughters of the American Revolution, Washington, D. C., petitioning consideration of a number of resolutions adopted at their fifty-eighth continental congress relative to the Un-American Activities Committee and its publications, retaining American ideals in education, Federal aid to education, world government, opposing international trade organizations, opposing ratification of the International Labor Organization freedom-to-organize convention, and immigration; to the Committee on Foreign Affairs.

836. Also, petition of Mrs. Dora Bornhausen, Bad Wiessee, Upper Bavaria, petitioning consideration of her resolution with reference to adjudgment for Mrs. Dora Bornhausen, Bad Wiessee, House Seeblick, Upper Bavaria (US/7722/759/G-2/C. C. Doc. No. US/CC/G-24/404); to the Committee on the Judiciary.

837. Also, petition of W. S. Boot and others, Galesburg, Ill., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

838. Also, petition of Mr. and Mrs. Charles Buck and others, Orlando, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

839. Also, petition of Mrs. Cecile Haley and others, Boynton Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

840. Also, petition of Mary Lambert and others, North Miami Beach, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

841. Also, petition of Mrs. Effa K. Collings and others, Miami, Fla., requesting passage of H. R. 2135 and 2136, known as the Townsend plan; to the Committee on Ways and Means.

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No. 86

Senate

(Legislative day of Monday, April 11, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

God of all mercy, bowing at this noon-tide altar may we be vividly conscious that we need not turn back to bygone centuries to hear Thy voice, as if Thou dost speak no longer in these present days. Give us ears to hear Thy imperial imperatives above the noise of crashing systems, yea, in and through the change and confusion of our troubled day when Thou art searching out the souls of men before Thy judgment seat. So, hearing and heeding the voice divine, may our compassion help to heal the open sores of the world as here we serve the present age our calling to fulfill. In the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, May 13, 1949, was dispensed with.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that on May 13, 1949, the President had approved and signed the act (S. 227) for the relief of Stone & Cooper Coal Co., Inc.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

H. R. 679. An act to authorize the admission of Mrs. Julia Balint to the United States;

H. R. 2360. An act for the relief of Theodore Papachristopoulos; and

S. J. Res. 42. Joint resolution granting the consent and approval of Congress to an interstate compact relating to the better utilization of the fisheries (marine, shell, and anadromous) of the Gulf coast and creat-

ing the Gulf States Marine Fisheries Commission.

LEAVES OF ABSENCE

On request of Mr. SALTONSTALL, and by unanimous consent, Mr. HENDRICKSON was excused from attendance on the session of the Senate today.

On request of Mr. LUCAS, and by unanimous consent, Mr. PEPPER was excused from attendance on the Senate today.

Mr. BALDWIN asked and obtained consent to be absent from the Senate today.

Mr. KERR asked and obtained consent to be absent from the Senate from Wednesday through Friday of this week, because of public business.

Mr. MUNDT. Mr. President, in order that I may appear before the grand jury in New York tomorrow, I ask unanimous consent to be absent from the Senate until 3:30 o'clock tomorrow afternoon.

The VICE PRESIDENT. Without objection, it is so ordered.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Anderson	Holland	Neely
Baldwin	Johnson, Tex.	O'Connor
Butler	Johnston, S. C.	O'Mahoney
Cain	Kem	Robertson
Capehart	Kerr	Russell
Cordon	Langer	Saltonstall
Eaton	Long	Schoeppel
Ellender	Lucas	Smith, Maine
Ferguson	McCarthy	Sparkman
Frear	McClellan	Stennis
George	McFarland	Taylor
Gillette	McGrath	Thomas, Okla.
Graham	McKellar	Thomas, Utah
Green	Malone	Thye
Gurney	Martin	Tydings
Hayden	Miller	Wiley
Hickenlooper	Morse	Williams
Hill	Mundt	Withers
Hoey	Murray	Young

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Illinois [Mr. DOUGLAS], the Senator from California [Mr. DOWNEY], the Senator from Colorado [Mr. JOHNSON], the Senator from West Virginia

[Mr. KILGORE], the Senator from Nevada [Mr. MCCARRAN], the Senator from Connecticut [Mr. McMAHON], and the Senator from Pennsylvania [Mr. MYERS] are detained on official business in meetings of committees of the Senate.

The Senator from Kentucky [Mr. CHAPMAN] and the Senator from Mississippi [Mr. KEFAUVER] are absent on official business.

The Senator from Wyoming [Mr. HUNT], the Senator from Texas [Mr. JOHNSON], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Tennessee [Mr. KEFAUVER], and the Senator from Washington [Mr. MAGNUSON] are absent on public business.

The Senator from Florida [Mr. PEPPER] is absent by leave of the Senate on public business.

The Senator from South Carolina [Mr. MAYBANK] is necessarily absent.

The Senator from New York [Mr. WAGNER] is necessarily absent.

The Senator from Texas [Mr. CONNALLY] and the Senator from Arkansas [Mr. FULBRIGHT] are excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations, which is holding hearings on the North Atlantic Pact.

Mr. SALTONSTALL. I announce that the junior Senator from Ohio [Mr. BRICKER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the senior Senator from Ohio [Mr. TAFT], and the junior Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from Vermont [Mr. FLANDERS], the Senator from New Jersey [Mr. HENDRICKSON], and the Senator from New York [Mr. IVES] are absent by leave of the Senate.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Missouri [Mr. DONNELL] and the Senator from Utah [Mr. WATKINS] are absent by leave of the Senate for the purpose of being present at a meeting of the Committee on Foreign Relations.

The Senator from Michigan [Mr. VANDENBERG] is excused by the Senate for the purpose of attending sessions of the Committee on Foreign Relations holding hearings on the North Atlantic Pact.

The Senator from Vermont [Mr. ARKEN], the Senator from Maine [Mr. BREWSTER], the Senator from California [Mr. KNOWLAND], the Senator from Massachusetts [Mr. LODGE], the Senator from Colorado [Mr. MILLIKIN], and the Senator from Kansas [Mr. REED] are detained on official business.

The Senator from Nebraska [Mr. WHERRY] is necessarily absent.

Mr. McMAHON subsequently said: Mr. President, during the quorum call this morning, the Joint Committee on Atomic Energy was in session with the Joint Chiefs of Staff. I ask unanimous consent that this announcement be placed after the quorum call.

The VICE PRESIDENT. A quorum is present.

Mr. MALONE. Mr. President—

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER ACT

The VICE PRESIDENT laid before the Senate the amendment of the House of Representatives to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, which was, to strike out all after the enacting clause and insert:

That section 2 of the Commodity Credit Corporation Charter Act (Public Law No. 806, 80th Cong.) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')."

SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans not to exceed 17½ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers."

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members appointed by the President of the United States, not more than three of whom shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1948 ed., 661)."

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

"(a) by inserting in the second sentence thereof after the word "jurisdiction" a comma and the following: 'without regard to the amount in controversy,';

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: "No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within 6 years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within 3 years after the disability shall have ceased or within 6 years after the right ac-

crued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

"(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this act, be brought in such court."

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'"

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or a combination of these three words, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 1 year, or both."

SEC. 7. The act entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad," approved August 11, 1939, is amended to read as follows: "That, notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of which materials are strategic and critical and the determination of the quantities and qualities of such materials which are desirable for stock piling shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

Mr. THOMAS of Oklahoma. Mr. President, I move that the Senate disagree to the amendment of the House, request a conference with the House on the disagreeing votes of the two Houses thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. THOMAS of Oklahoma, Mr. ELLENDER, Mr. ANDERSON, Mr. AIKEN, and Mr. YOUNG conferees on the part of the Senate.

DISTRICT OF COLUMBIA REVENUE BILL

The Senate resumed the consideration of the bill (H. R. 3704) to provide additional revenue for the District of Columbia.

Mr. LUCAS. Mr. President, a brief explanation perhaps is in order on the pending business that is before the Senate of the United States.

Mr. MALONE. Mr. President—

The VICE PRESIDENT. The Chair was about to state what the pending question is. The question is the motion of the Senator from Iowa [Mr. HICKENLOOPER] to reconsider the vote by which the amendment which struck out the first four titles of the bill and inserted a substitute was adopted.

PROCEEDINGS ON QUORUM CALLS

Mr. CAPEHART. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. CAPEHART. I understand the rules of the Senate provide that Senators must answer to their names on quorum calls in order to be recorded as being present.

The VICE PRESIDENT. That is the rule of the Senate.

Mr. CAPEHART. My parliamentary inquiry is: If after a Senator's name has been called, and he arrives before the roll call is completed, is he supposed to stand up and address the Chair and answer to his name?

The VICE PRESIDENT. The practice of the clerks at the desk is to enter the names of Senators if they see them present. When a quorum call is completed and a quorum is present, it is not customary or necessary for Senators to rise in their places. That is necessary on a yea-and-nay vote, but not on a quorum call.

Mr. CAPEHART. The reason I ask this question is that the able Senator from Nevada [Mr. MALONE] was trying to obtain recognition a moment ago to have his name placed upon the quorum call.

The VICE PRESIDENT. The name of the Senator from Nevada was placed upon the quorum call. He was present, and called that fact to the attention of the clerks, and his name was placed on the call.

Mr. CAPEHART. If a Senator arrives before the quorum call is completed, does the clerk have the right to place his name on the quorum call?

The VICE PRESIDENT. Provided his presence is brought to the attention of the clerk. That is necessary because it is impossible for the clerks to notice every Senator who may enter the Chamber while the roll call is in progress.

Mr. MALONE. Mr. President, I tried to obtain recognition. I see no way in which a Senator can be sure that his name is on the roll call unless he obtains recognition, or unless he takes the trouble to walk to the desk and see that his name is on the quorum call. The Vice President of the United States has ruled that a Senator cannot get his name on the roll call after the roll is called.

The VICE PRESIDENT. When a call is made for a quorum and a quorum is developed, it is not customary for Senators to rise and be recognized so that they may get their names on the quorum call. However, if they let the clerks at the desk know that they are present, their names are placed on the quorum call. The only object of a quorum call is to obtain a quorum; and when a quorum is developed, that is the end of it.

Mr. MALONE. Suppose a Senator arrives a little late at the desk, and the clerk has not previously noticed his presence. The ruling has been that once the roll is concluded, a Senator cannot get his name on it.

The VICE PRESIDENT. Each case depends upon its own situation. However, if a Senator is present during the quorum call, his name is placed upon the quorum call.

Mr. MALONE. I wish to enter a protest against not being recognized for the purpose of having my name placed on the quorum call.

The VICE PRESIDENT. The Senator's protest will be entered.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, before the Senate begins discussing the motion to reconsider, offered by the able Senator from Iowa [Mr. HICKENLOOPER], I ask unanimous consent that Members of the United States Senate may have the opportunity of placing into the RECORD, without debate, routine matters as though we were in the morning hour.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letters, which were referred, as indicated:

SUPPLEMENTAL ESTIMATE, FEDERAL SECURITY AGENCY (S. Doc. No. 76)

A communication from the President of the United States, transmitting a supplemental estimate of appropriation, amounting to \$60,000, Federal Security Agency, fiscal year 1950 (with an accompanying paper); to the Committee on Appropriations and ordered to be printed.

REPORT ON COOPERATION OF UNITED STATES WITH MEXICO IN CONTROL AND ERADICATION OF FOOT-AND-MOUTH DISEASE

A letter from the Secretary of Agriculture, transmitting, pursuant to law, a report on cooperation of the United States with Mexico in the control and eradication of foot-and-mouth disease, for the month of March 1949 (with an accompanying report); to the Committee on Agriculture and Forestry.

SUSPENSION OF DEPORTATION OF ALIENS

A letter from the Acting Attorney General of the United States, transmitting, pursuant to law, copies of orders of the Commissioner of Immigration and Naturalization Service suspending deportation as well as a list of persons involved, together with a statement of the facts and pertinent provisions of law,

and the reason for ordering such suspension (with accompanying papers); to the Committee on the Judiciary.

PROPOSED TRANSFER BY NAVY DEPARTMENT OF NAVAL LANDING CRAFT TO COAST GUARD AUXILIARY FOUNDATION, PHILADELPHIA, PA.

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, that the Coast Guard Auxiliary, Fourth Naval District, Foundation, of Philadelphia, Pa., had requested the Navy Department to transfer two landing craft for use by that organization in training personnel; to the Committee on Armed Services.

REPORT ON TORT CLAIMS PAID BY GENERAL ACCOUNTING OFFICE

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report of tort claims paid by the General Accounting Office during the fiscal year ending June 30, 1948 (with an accompanying report); to the Committee on the Judiciary.

CONSTRUCTION OF HIGHWAY FROM SAN BENITO TO RAMA, NICARAGUA

A letter from the Administrator of the Federal Works Agency, transmitting a draft of proposed legislation to authorize an appropriation for completing the construction of the highway from San Benito to Rama in the Republic of Nicaragua (with an accompanying paper); to the Committee on Foreign Relations.

INTER-AMERICAN HIGHWAY

A letter from the Administrator of the Federal Works Agency, transmitting a draft of proposed legislation to amend the act entitled "An Act to provide for cooperation with Central American Republics in the construction of the Inter-American Highway," approved December 26, 1941 (with an accompanying paper); to the Committee on Foreign Relations.

DISPOSITION OF EXECUTIVE PAPERS

A letter from the Archivist of the United States, transmitting, pursuant to law, a list of papers and documents on the files of several departments and agencies of the Government which are not needed in the conduct of business and have no permanent value or historical interest, and requesting action looking to their disposition (with accompanying papers); to a Joint Select Committee on the Disposition of Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. JOHNSTON of South Carolina and Mr. LANGER members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A resolution of the Legislature of the State of Florida; to the Committee on Labor and Public Welfare:

"Senate Memorial 37

"Memorial to the Congress of the United States against the passage of any legislation providing for socialized medicine and compulsory health insurance

"Whereas strong pressure and propaganda is being used to urge the passage of socialized medicine and compulsory health insurance; and

"Whereas such legislation would seriously impair and practically destroy American enterprise and free initiative: Now, therefore, be it

"Resolved by the Legislature of the State of Florida:

"1. That the President and the Congress of the United States are hereby petitioned to vigorously oppose all legislation for the en-

actment of socialized medicine and compulsory health insurance.

"2. That copies of this memorial be transmitted to the President of the United States, to the Speaker of the House of Representatives, and the President of the Senate in Congress and to each of Florida's Representatives in both the House and Senate in Congress.

"3. That a copy of this memorial be spread upon the Journal of both the Senate and House of Representatives of the State of Florida and sufficient copies thereof be furnished to the press."

A joint resolution of the Legislature of the State of Tennessee; to the Committee on Finance:

"Senate Joint Resolution 51

"Whereas an admissions tax is among the taxes best adapted to local administration because it is fair and easy to administer, because it provides for a minimum of inter-municipal competition, and because it is being increasingly and successfully used by hundreds of municipalities throughout the country; and

"Whereas full utilization of this source by local governments is impossible because of the high Federal tax on admissions; and early reduction in or abolition of the Federal tax has been recommended by congressional committees, the Council of State Governments, the American Municipal Association, and other groups studying the problem of Federal-State-local fiscal relations; and

"Whereas the strengthening of local government finance is essential to the sound functioning of our democracy; and repeal of the Federal excise tax on admissions would be an important step toward the proper segregation of tax sources among the Federal, State, and local governments of the country; and

"Whereas the Tennessee Municipal League has asked the Legislature of Tennessee to pass enabling legislation authorizing municipal admissions taxes to the extent that the Federal admissions taxes are eliminated or reduced, in order that the serious financial difficulties of Tennessee municipalities may be relieved: Now, therefore, be it

"Resolved by the Senate of the State of Tennessee (the House of Representatives concurring therein), That Congress be requested to repeal forthwith the Federal excise tax on admissions; be it further

"Resolved, That the secretary of state be instructed to transmit a copy of this resolution to the President of the United States, to the Presiding Officer of the Senate and House of Representatives of the Congress of the United States, and to each of the Senators and Representatives in Congress from the State of Tennessee.

"Passed April 11, 1949.

"WALTER M. HAYNES,
"Speaker of the Senate.
"MCALLEN FOOTCH,

"Speaker of the House of Representatives.

"Approved April 12, 1949.

"GORDON BROWNING,
"Governor."

A joint resolution of the Legislature of the State of California; to the Committee on Foreign Relations:

"Assembly Joint Resolution 34

"Joint resolution relative to memorializing the President and the Congress of the United States in relation to securing the release of film industry assets frozen in foreign countries

"Whereas American motion-picture studios have been sending abroad skeleton crews of trained film technicians for purposes of utilizing and drawing upon assets frozen in certain foreign countries; and

"Whereas as a result of such activity, many domestic motion picture workers have been thrown out of employment; and

"Whereas as a result of such activity, a serious economic plight confronts thousands of motion-picture workers, a plight aggravated in many instances by the expiration of unemployment insurance benefits; and

"Whereas the serious dislocation of so many motion-picture employees now affects not only the motion-picture industries of California but all other areas in the United States generally where pictures are made; and

"Whereas the refusal of certain foreign countries to release assets on American film studios, unless the latter draw upon these assets to defray film-production costs incurred in the foreign countries, induces American film studios to engage in such practices: Now, therefore, be it

"Resolved by the Assembly and Senate of the State of California, jointly, That the President and the Congress of the United States are hereby respectfully memorialized and requested to urge the State Department to take such steps as are necessary to secure the release by foreign countries of frozen assets belonging to the American film industry, or to so alter the basis upon which these assets are presently released by foreign countries as to minimize the present disruption of the domestic film industry economy; and be it further

"Resolved, That the chief clerk of the assembly is directed to transmit copies of this resolution to the President of the United States, the President of the Senate, the Speaker of the House of Representatives of the United States, and to each Senator and Representative in the Congress of the United States from California."

A resolution of the House of Representatives of the State of Delaware; to the Committee on Labor and Public Welfare:

"House Resolution 42

"Resolution memorializing the Congress of the United States with respect to a national compulsory sickness insurance program

"Whereas the American people now enjoy the highest level of health, the best standards of scientific medical care, and the finest medical institutions ever attained by any major country in the world; and

"Whereas these accomplishments of American medicine are the results of a free people working under a system of free enterprise; and

"Whereas in all countries where government has assumed control of medical care the experience has been a progressive deterioration of medical standards and medical care, to the detriment of the health of the people: Now, therefore, be it

"Resolved by the House of Representatives of the One Hundred and Fifteenth General Assembly—

"That the Legislature of the State of Delaware respectfully petitions the Congress of the United States to refrain from imposing upon the citizens of this Nation any form of compulsory insurance, or any system of medical care designed for national bureaucratic control; and

"That the Honorable JOHN J. WILLIAMS, the Honorable J. ALLEN FREAR, JR., and the Honorable J. CALEB BOGGS, Members of the Congress of the United States from Delaware, be and they are hereby respectfully requested to oppose the enactment of such legislation; and

"That the chief clerk of the house transmit copies of this resolution to the President of the United States, the Presiding Officers of the United States Senate and the United States House of Representatives and to each Senator and Congressman from Delaware."

A concurrent resolution of the Legislature of the Territory of Hawaii; to the Committee on Banking and Currency:

"Senate Concurrent Resolution 39

"Concurrent resolution requesting the Congress of the United States of America to enact legislation authorizing the United States of America to convey and the Hawaii Housing Authority to acquire the land, improvements and appurtenances comprising the Kalihi war homes project (TH-51030) at Honolulu, T. H.

"Whereas during World War II the United States of America acquired the land and constructed the Kalihi war homes project (TH-51030) at Honolulu, T. H., as a war-housing project; and

"Whereas the said project was constructed in such manner that it is suitable for a permanent housing project in accordance with local laws and ordinances; and

"Whereas as a result of World War II and the war effort of the entire United States of America in the Pacific area, there has existed and will continue to exist for many years at said Honolulu an acute housing shortage; and

"Whereas the present Federal law requires the demolition of the said project by January 1, 1950, unless extended by the Administrator of the Housing and Home Finance Agency after reporting to the Congress of the United States of America; and

"Whereas the provisions of the Lanham Act have consistently required disposal of temporary war-housing projects as materials, indicating that such temporary war housing is as expendable an item of World War II as the products of those installations they were built to serve: Now, therefore, be it

"Resolved by the Senate of the Twenty-fifth Legislature of the Territory of Hawaii (the House of Representatives concurring), That the Congress of the United States of America be, and it is hereby respectfully requested to enact legislation authorizing the United States of America to convey and the Hawaii Housing Authority (an instrumentality of the said Territory) to acquire the said Kalihi war-homes project, without compensation to the United States of America, to be operated by the said Hawaii Housing Authority under territorial law relating to housing; and be it further

"Resolved, That duly authenticated copies of this concurrent resolution be transmitted to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States of America, to the Secretary of the Interior, to the Administrator of the Housing and Home Finance Agency, and to the Delegate to Congress from Hawaii."

Resolutions of the General Court of the Commonwealth of Massachusetts, relating to the repeal of the Federal tax on oleomargarine; ordered to lie on the table.

(See text of resolutions printed in full when presented by Mr. SALTONSTALL (for himself and Mr. LODGE) on May 13, 1949, p. 6268, CONGRESSIONAL RECORD.)

A resolution of the Senate of the State of Ohio, relating to the commutation of the sentence of Ilse Koch; to the Committee on Foreign Relations.

(See text of resolution printed in full when presented by Mr. BRICKER on May 13, 1949, p. 6269, CONGRESSIONAL RECORD.)

A resolution adopted by the forty-ninth annual convention of the Retail Merchants Association of Texas and allied organizations, meeting jointly in Dallas, Tex., relating to governmental economy, and so forth; to the Committee on Finance.

A resolution adopted by the Delta Council of Mississippi, Cleveland, Miss., relating to communism; to the Committee on the Judiciary.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 27: Page 11, line 5, insert:

"MOTOR CARRIER CLAIMS COMMISSION

"Salaries and expenses

"For expenses necessary for the Motor Carrier Claims Commission established by the act of July 2, 1948 (Public Law 880), including personal services in the District of Columbia, travel expenses, printing and binding, and services as authorized by section 15 of the act of August 2, 1946 (5 U. S. C. 55a), \$50,000: *Provided*, That section 6 of the aforesaid act of July 2, 1948, as amended, is further amended by striking out the words '9 months' and inserting in lieu thereof the words '15 months', and section 13 of said act, as amended, is further amended by striking out the words '9 months' period' and inserting in lieu thereof the words '15 months' period.'"

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 36: Page 17, line 4, insert:

"FARMERS' HOME ADMINISTRATION

"Loans to farmers, property damage

"The funds appropriated under the head 'Loans to farmers, 1948 flood damage,' in the Second Deficiency Appropriation Act, 1948, shall remain available until June 30, 1950, in accordance with the terms and conditions specified under said head, to provide assistance to farmers whose property is destroyed or damaged as a result of floods, storms, or other natural calamity during the calendar years 1948 and 1949."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 47: Page 22, line 8, insert:

"Payment to Choctaw and Chickasaw Nations of Indians, Oklahoma

"For payment to the Choctaw and Chickasaw Nations of Indians in fulfillment of the terms of a contract between the United States of America and the said nations as authorized by the act of June 28, 1944 (58 Stat. 483), and as ratified by the act of June 24, 1948 (Public Law 754), \$8,359,000, of which not to exceed \$50,000 shall be available until expended for defraying the expenses, including printing and binding, of making the per capita payment authorized by the above acts: *Provided*, That in addition to the per capita payment, the Secretary of the Interior, in his discretion, is authorized to distribute per capita to the enrolled members of the Choctaw and Chickasaw Nations, entitled under existing law to share in the funds of such tribes, or to their lawful heirs or devisees determined in the manner prescribed in section 4 of the aforesaid act of June 24, 1948, any or all of the funds held by the Government of the United States for the benefit of said tribes."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 66: Page 33, line 8, insert:

"SEC. 302. The appropriations and authority with respect to appropriations in this act in whole or in part for the fiscal year 1949 shall be available from and including March 1, 1949, for the purposes respectively provided in such appropriations and authority. All obligations incurred during the period between March 1, 1949, and the date of the enactment of this act in anticipation of such appropriations and authority are hereby ratified and confirmed if in accordance with the terms thereof."

Mr. KERR. Mr. Speaker, I move that the House recede and concur in the Senate amendment.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

Mr. KERR. Mr. Speaker, I ask unanimous consent that all Members may have 24 hours in which to extend their remarks on the conference report just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

CONTINUING AUTHORITY OF THE MARITIME COMMISSION TO SELL, CHARTER, AND OPERATE VESSELS

Mr. BLAND. Mr. Speaker, I ask unanimous consent for the immediate consideration of the joint resolution (H. J. Res. 235) to continue the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes.

When this joint resolution was brought up earlier in the day the gentleman from South Dakota objected to its consideration, but he now has an amendment to offer and I understand will withdraw his objection.

Mr. CASE of South Dakota. If the gentleman will yield, I raised a question about one point with regard to the extension of authority. I have since conferred with the gentleman from Virginia and have prepared an amendment. With the understanding that that amendment will be agreed to, I have no objection to the consideration of the joint resolution at this time.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There being no objection, the Clerk read the joint resolution, as follows:

Resolved, etc., That the joint resolution entitled "Joint resolution to continue until June 30, 1949, the authority of the Maritime Commission to sell, charter, and operate vessels, and for other purposes," approved February 28, 1949 (Public Law 12, 81st Cong.), is amended by striking out the date "June 30, 1949" wherever it appears therein and inserting in lieu thereof the date "June 30, 1950."

With the following committee amendment:

At the end of the bill add the following:

"SEC. 2. Any charter in effect at the time of the enactment of this joint resolution shall be terminated by the Commission at the earliest date permitted under the terms thereof after June 30, 1949, unless the char-

terer enters into an agreement with the Commission that each vessel delivered or retained under such charter shall not be redelivered to the Commission, at the option of the charterer, within less than 6 months for liner services, except coastwise services, or 4 months for bulk services and coastwise services, or for the remainder of the period ending June 30, 1950, if such period is less than said periods of 6 or 4 months, respectively. No charter shall be made by the Commission under authority of this joint resolution or after the date of enactment thereof unless the charterer enters into an agreement with the Commission that each vessel delivered or retained under the terms of such charter shall not be redelivered to the Commission, at the option of the charterer, within less than 6 months for liner services except coastwise services, or 4 months for bulk services and coastwise services, or for the remainder of the period ending June 30, 1950, if such period is less than said periods of said 6 and 4 months, respectively: *Provided, however*, That no vessel so chartered may begin a new voyage after June 30, 1950.

The committee amendment was agreed to.

Mr. CASE of South Dakota. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CASE of South Dakota: On page 1, line 9, strike out the period, insert a colon and the following: "*Provided*, That hereafter no sale of a vessel by the Maritime Commission shall be completed until its ballast and equipment shall have been inventoried and their value taken into consideration by the Commission in determining the selling price."

The amendment was agreed to.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, with a House amendment thereto, insist on the House amendment, and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WOLCOTT, GAMBLE, and KUNKEL.

EXTENSION OF REMARKS

Mr. RABAUT asked and was given permission to extend his remarks in the RECORD and include a letter from the Comptroller General of the United States.

Mrs. NORTON and Mr. CHURCH asked and were given permission to revise and extend their remarks.

UNITED STATES-WASHINGTON AND LEE UNIVERSITY BICENTENNIAL COMMISSION

The SPEAKER. Pursuant to the provisions of Public Law 636, Eightieth Congress, the Chair appoints as members of the United States-Washington and Lee

University Bicentennial Commission the following Members on the part of the House to serve with himself: Messrs. HARRISON, ALBERT, BROWN of Ohio, and WADSWORTH.

SPECIAL ORDER

The SPEAKER. Under previous order of the House the gentleman from Delaware [Mr. BOGGS] is recognized for 15 minutes.

(Mr. BOGGS of Delaware asked and was given permission to revise and extend his remarks.)

SOME FACTS ON PUBLIC HEALTH AND CHEMICAL FOOD ADJUNCTS

Mr. BOGGS of Delaware. Mr. Speaker, on March 2 and again on May 9, our colleague and my good friend, the distinguished and able Representative from Wisconsin [Mr. KEEFE], addressed the House on the subject of public health and the use of chemicals in the Nation's food industry.

In the course of his discussions the gentleman from Wisconsin made several remarks pertaining to one of the Nation's foremost chemical research and manufacturing concerns. The company referred to in his remarks is the Atlas Powder Co., of Wilmington, Del.

I am well acquainted with the reputation of the Atlas Powder Co. Its home office, as well as some of its manufacturing facilities, are located in the State which it is my very great privilege and honor to represent. Many of the officers and employees of the Atlas Powder Co. are my personal acquaintances and friends. The Atlas Powder Co. was organized in 1912. It has nine manufacturing plants scattered from coast to coast. It is my opinion that the Atlas Powder Co. enjoys a reputation for excellence of products unsurpassed in the American chemical and industrial fields.

In view of the remarks by my friend from Wisconsin and in view of my personal knowledge of the excellent reputation of the Atlas Powder Co., I have undertaken to look into the problem to which the gentleman from Wisconsin has directed his remarks. I would like, therefore, to present at this time a few observations, so that the remarks of the gentleman from Wisconsin concerning the Atlas Powder Co. will no longer be misunderstood or unchallenged.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. BOGGS of Delaware. I would like to yield to the gentleman, and I will yield to him at the conclusion of my remarks.

Mr. KEEFE. I think the gentleman should yield now, in view of the fact that he has referred to me in the manner in which he has. I would like to ask the gentleman to point out, in any speech that I have made, where I have unjustly criticized or cast aspersions of any kind whatsoever upon the Atlas Powder Co. Rather than stating bare conclusions, I would suggest that the gentleman refer to my statements.

Mr. BOGGS of Delaware. I thank the gentleman for his observation. I am coming to that directly.

Mr. Speaker, the Atlas Powder Co. is an organization of undisputed, excellent reputation. It means very much to the

citizens of the State of Delaware by way of employment and otherwise; and to the entire Nation because of its useful and unsurpassed products. It has contributed greatly to the proud reputation which the State of Delaware holds as "The Chemical Capital of the World."

Certainly the gentleman from Wisconsin desires to be fair in this matter. Therefore, I cannot understand how he permitted himself to make remarks reflecting upon the excellent reputation of the Atlas Powder Co.

The gentleman from Wisconsin, as we all know, is sincerely interested in improving the public health of our Nation. This interest, he has told us, prompted the two speeches in which unfavorable reference was made to Atlas Powder Co. Let me make it clear then, that it is my firm conviction that Atlas Powder Co. is as sincerely interested in improving the public health of our Nation and protecting each individual's health as anyone could be. Furthermore, the company has made ample demonstration of this sincere interest and objective.

There is another point I believe the facts will clarify. We all know the gentleman from Wisconsin represents a great dairy and agricultural area. He naturally is on the alert to protect these interests. He fears, therefore, any competition by way of substitutes for agricultural products, because such substitutes could possibly diminish the market and use of those agricultural products.

His fears are not well grounded as far as Atlas Powder Co. products are concerned. In fact, I find that the Atlas Powder Co.'s products, to which reference has been made, are not food substitutes, nor are they substitutes for any agricultural product. The truth is that all Atlas Powder Co. emulsifiers are made from farm-produced fats and oils. Moreover, I have found that Atlas, in making most of these emulsifiers, is primarily dependent upon corn grown on our farms and uses this farm product in enormous quantities. The use of farm-produced corn fats and oils in the making of Atlas emulsifiers exemplifies an expanding field of uses and an enlarged market for farm-grown products. Therefore, I say that as between the agricultural interests and the chemical field there is no conflict whatsoever, as far as the Atlas products are concerned.

In talking informally, I often get this simple question: What are the Atlas food emulsifiers and what are they used for?

The simple answer is that they are merely food adjuncts. They are not food substitutes, nor a substitute for shortening or any other food ingredient. They are used in very small proportional quantities in the preparation of certain foods, such as in the baking industry, in order to develop a better dispersion of the fats and oils with the other mix of the foods, thus enhancing the natural flavor, quality, and appearance of the foods.

Now there is another question: Are the Atlas emulsifiers safe to put in food? Are they safe for human consumption?

The answer, Mr. Speaker, is that there is no evidence anywhere to show that they are not safe for human consump-

tion. As a matter of fact, extensive feeding studies, including human feeding studies, have been conducted by eminently qualified experts, and have demonstrated that Atlas emulsifiers are safe for use in food products and for human consumption.

Now the next question is: Why all this discussion here on the floor of the House of Representatives?

In answer to that question let me point out that the Pure Food and Drug Administration, an agency of the United States Government, is at the present time conducting hearings for the development of standards of identity for bread products. At this hearing, which is in the nature of a judicial hearing where evidence is submitted pertaining to all ingredients in bread products, the Atlas Powder Co. has in regular course been offering its evidence concerning its food emulsifier products. These hearings before the Food and Drug Administration have not been concluded, nor has the Food and Drug Administration or the Federal Security Agency, of which it is a part, reached a decision as a result of these hearings. The Atlas Powder Co., having every confidence in its products and the evidence which is being submitted in support of these products, has naturally and properly refrained from public controversy.

However, it may be stated that there are those who make competitive emulsifiers. In fact, they have had a monopoly in this field. They are represented at the hearings before the Pure Food and Drug Administration and are bitterly opposing the Atlas emulsifiers for competitive reasons. These interests, for their own selfish reasons, of course, are endeavoring to use to their advantage those genuinely interested in improving our public health. And, therefore, statements have thus been made here on the floor of the House, prompted by a sincere interest in public health, but nevertheless untimely because of the hearings which are still in progress.

That is the simple explanation, in my opinion, for the references which have been made here on the floor of the House concerning Atlas Powder Co. and its emulsifier products.

May I also say at this point, Mr. Speaker, that the Pure Food and Drug Administration has a staff of able and qualified personnel, technically trained to study this problem. It is my definite opinion that this agency of the Government should be given every opportunity to reach its conclusions after a full consideration of all the evidence. It should be permitted to do so without being subjected to any indirect influences from any source which does not have all of the evidence and which may not be fully qualified to interpret that evidence.

Now, in conclusion, may I say that it is my hope that these hearings before the Pure Food and Drug Administration will be given an opportunity to run their natural course so that the Pure Food and Drug Administration may reach logical conclusions based on the facts. However, I shall continue to study this matter personally, not only because of my own interest in improving the pub-

AMENDING THE COMMODITY CREDIT CORPORATION CHARTER ACT

MAY 19, 1949.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany S. 900]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')"*.

SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: *"The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that*

existing privately owned storage facilities for such commodity in the area concerned are not adequate: Provided further, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: And provided further, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: And provided further, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. DIRECTORS, ADVISORY BOARD: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be

red by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

“(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.”

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

“SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661).”

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

(a) by inserting in the second sentence thereof after the word “jurisdiction” a comma and the following: “without regard to the amount in controversy,”;

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: “No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: Provided, That the defendant shall not be awarded a judgment on

any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court".

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,
Managers on the Part of the House.

ELBERT THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,
Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference recommended that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment and that the House agree to the same.

In general the conference substitute follows the language of the House amendment. Except for clarifying changes, the differences between the conference substitute and the House amendment are indicated below.

The House amendment provided that the members of the Board of Directors of the Commodity Credit Corporation would be appointed by the Secretary of Agriculture and serve at his pleasure. The Senate bill provided that the members of the Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. Both the House amendment and the Senate bill provided for an Advisory Board. The conference substitute retained the language of the House amendment with respect to the Board of Directors of the Corporation, but modified the provisions relating to the Advisory Board so that appointment of the five members of the Advisory Board would be made by the President, by and with the advice and consent of the Senate, and the members of the Advisory Board would serve at the pleasure of the President.

The House amendment modified the provision in the present Charter Act which prohibits the Corporation from acquiring real property or any interest therein in such a manner that the Corporation could rent or lease office space necessary for the conduct of its business, or acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing and discharging obligations owing to the Corporation, or of otherwise protecting the financial interest of the Corporation. The Senate bill contained a similar provision excepting, however, the Senate bill provided that such authority could not be used for storage for cotton, tobacco, and refrigerated cold storage. The conference substitute contains the language of the House amendment and the following proviso with respect to refrigerated cold storage:

Provided further, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose.

The conference substitute would permit the Corporation to lease refrigerated cold storage facilities but would prohibit it from constructing or purchasing such facilities except with funds specifically provided by Congress for that purpose. This limitation on the construction or purchase of refrigerated cold storage facilities is not intended to prevent the Corporation from making replacements of machines and equipment, repairs or improvements necessary to operate and maintain leased cold storage facilities.

Both the House amendment and the Senate bill contained a provision, included in the conference substitute, which provides that before the Corporation could acquire real property or any interest therein for the purpose of providing storage facilities for any commodity, it must determine that existing privately owned storage facilities for such commodity in the area concerned are not adequate. It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved. For some commodities, especially those which are largely consumed on or near the farms which produce them, the "area concerned" must of necessity mean the immediate area in which the commodity is produced, because it is not customary or practicable to store the commodity in areas remote from points of origin. For other commodities a different situation prevails. In the case of cotton, as an example, the "area concerned" could well mean the entire cotton-producing belt. The whole cotton-marketing system, as well as the freight-rate structure, is built around the fact that cotton moves for storage toward the ports and consuming mills at no additional expense to the grower.

Wool, as another example, normally is stored in the consuming areas of the Northeast, far removed from the heavier producing areas of the West.

This fact has been recognized by the Corporation in the operation of its cotton loan and purchase programs. Where threatened or confronted with total local cotton stocks in excess of local storage capacity, it has been the practice of the Corporation to "reconcentrate" sufficient loan or purchased stocks to provide storage space for the remainder of local cotton-storage demand. Such "reconcentrated" cotton has been moved to available cotton-storage facilities en route to ports of exportation and domestic consuming areas so that, under the railroad cotton rate and "transit" structure, the cotton could be reshipped to consuming destinations without loss in transportation costs. This practice—common among private cotton marketing agencies—recognizes the economy of utilizing available storage capacity along routes of normal movement, as opposed to the waste involved in providing additional local storage capacity which will not be substantially utilized year after year.

In its 1948 cotton-loan program, the Corporation applied this principle in inaugurating its "receiving agency" arrangements, under which the Corporation "receiving agent" would receive the cotton from the producer, and, without delay, provide the producer with full benefits of the loan program. Such cotton was placed under railroad bills of lading, consigned to available cotton warehouses located along

authorized railroad routes to seaports and domestic consuming areas. Under this procedure, the railroad bills of lading, initially used in lieu of warehouse receipts in consummating the loan, are later exchanged for insured warehouse receipts issued by the warehouses to which the cotton is consigned. This procedure has operated to the satisfaction of all concerned. It permits prompt use of the loan procedure by cotton producers, and maximum economical utilization of available cotton storage facilities.

The House amendment contained a provision with respect to the storage of grain on farms which provided that the Corporation shall make loans not to exceed $17\frac{1}{2}$ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made by the Corporation and the growers. The Senate bill contained no similar provision. The conference substitute follows the language of the House amendment except that it eliminates the condition that the loans not exceed $17\frac{1}{2}$ cents per bushel of the estimated crop.

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation (1) shall be limited in any way in utilizing other authority contained in its charter to assist farmers including other than grain farmers by loans or other means in providing adequate storage facilities; (2) shall look exclusively to the proceeds of price-support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities; (3) shall be restricted from making loans available to growers for storage facilities through banks and other established lending agencies; and (4) shall be required to apply the full amount of the proceeds of any price support received by a grower against the loan made to the grower for storage. (On the contrary, it is contemplated that the Corporation would provide for repayment of the loan over a period of time.)

Both the Senate bill and the House amendment contained provisions permitting the Commodity Credit Corporation to exchange agricultural commodities for strategic and critical materials produced abroad. The Senate bill placed these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act. The House amendment set them forth as an amendment to the act approved August 11, 1939, entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad." The conference substitute places these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act and follows the language of the provision in the House amendment except that there was added thereto the words "easily storable," contained in the Senate bill, in the description of the agricultural commodities which shall be given priority in exchange for strategic and critical materials, and there was also added a provision contained in the Senate bill that strategic and critical materials acquired by Commodity Credit Corporation shall be transferred to the stock pile "to the extent approved by the Munitions Board of the National Military Establishment." In placing the authority for the exchange

of agricultural commodities for strategic and critical materials in the Commodity Credit Corporation Charter Act, as did the Senate bill, the term "agricultural commodities" has the meaning ascribed to it in section 2 of the Commodity Credit Corporation Charter Act.

BRENT SPENCE,

PAUL BROWN,

WRIGHT PATMAN,

MIKE MONRONEY,

Managers on the Part of the House.



National Broadcasting Co., vice chairman; Francis W. Tully, Jr., Washington Reporters, Inc., secretary; Willard F. Shadel, Columbia Broadcasting System, treasurer; Howard L. Kany, Associated Press Radio, member at large; George E. Reedy, the Arrowhead Network, member at large; Rex R. Goad, Transradio Press Service, member at large; Albert L. Warner, Mutual Broadcasting System, member ex officio.

The following newscasters will broadcast from the House Radio Gallery as part of the celebration of the gallery's tenth anniversary: Bill Coyle, Dave Brinkley, H. R. Baukhage, Robert McCormack, Leif Eid, Bill Shadel, Albert L. Warner, Earl Godwin, George Reedy, Elmer Davis, Gil Kingsbury, Charles Farmer, Richard Eaton, and others—between the hours of 12 noon and 7:30 p. m.

I am glad at this time to congratulate the members of the radio correspondents' gallery and to express my appreciation for their work.

CORRECTION OF ROLL CALL

Mr. DONOHUE. Mr. Speaker, I ask unanimous consent that roll call No. 98 may be corrected in the Journal and the permanent RECORD. I am recorded as not voting. I was present and voted "aye."

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. CURTIS asked and was given permission to extend his remarks in the Appendix of the RECORD and include a resolution passed by the Legislature of Nebraska.

Mr. LODGE asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and include extraneous matter.

Mr. CASE of New Jersey. Mr. Speaker, I ask unanimous consent that an extension of remarks in the Appendix of the RECORD for January 27, of the gentleman from New York [Mr. JAVITS] may be reinserted in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

[The matter referred to will appear hereafter in the Appendix.]

Mr. MICHENER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. HARVEY asked and was given permission to extend his remarks in the Appendix of the RECORD and include an editorial.

Mr. BEALL asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. SHAFER asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial.

PAY, ALLOWANCES, AND PHYSICAL DISABILITY RETIREMENT FOR MEMBERS OF THE ARMED FORCES

Mr. LYLE, from the Committee on Rules, reported a privileged resolution

(H. Res. 223, Rept. No. 631), which was referred to the House Calendar and ordered to be printed.

Mr. LYLE. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 223.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4591) to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the reserve components thereof, the National Guard, and the Air National Guard, and for other purposes. That after general debate, which shall be confined to the bill and continue not to exceed 3 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Armed Services, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

CALL OF THE HOUSE

Mr. CASE of South Dakota. Mr. Speaker, I make a point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. McCORMACK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 100]

Abbitt	Hall,	Nelson
Allen, Ill.	Edwin Arthur	Nixon
Anderson, Calif.	Hall,	O'Brien, Mich.
Aspinall	Leonard W.	O'Neill
Baring	Hardy	Patman, Tex.
Barrett, Pa.	Harris	Peterson
Barrett, Wyo.	Hart	Pfeifer,
Bland	Heller	Joseph L.
Blatnik	Hill	Pfeiffer,
Bolton, Md.	Hinshaw	William L.
Bosone	Hobbs	Plumley
Boykin	Hoffman, Ill.	Poulson
Breen	Hull	Powell
Buckley, N. Y.	Irving	Rains
Bulwinkle	Jackson, Calif.	Redden
Burke	James	Ribicoff
Burleson	Jennings	Rooney
Byrne, N. Y.	Jonas	Sadowski
Canfield	Kearney	Scott, Hardie
Chudoff	Keogh	Secrest
Clevenger	Latham	Sheppard
Cooley	LeFevre	Simpson, Pa.
Coudert	Lemke	Smith, Ohio
Crawford	Lichtenwalter	Smith, Wis.
Crosser	Lynch	Staggers
Dague	McConnell	Stockman
Davis, Tenn.	McGrath	Taylor
D'Ewart	Macy	Thomas, N. J.
Dingell	Marshall	Vursell
Dollinger	Miles	Whitaker
Dondero	Miller, Nebr.	White, Idaho
Engle, Calif.	Morgan	Wilson, Ind.
Fernandez	Morris	Wilson, Tex.
Fogarty	Morrison	Withrow
Gilmer	Multer	Wood
Granger	Murdock	Woodhouse
Grant	Murphy	
Gwinn	Murray, Wis.	

The SPEAKER. On this roll call 311 Members have answered to their names; a quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

PAY, ALLOWANCES, AND PHYSICAL DISABILITY RETIREMENT FOR MEMBERS OF THE ARMED FORCES

The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LYLE]?

Mr. HOFFMAN of Michigan. Reserving the right to object, Mr. Speaker, I understand this bill contains 101 pages and the report 118 pages, and the bill calls for something like \$400,000,000.

Mr. MCSWEENEY. Yes.

Mr. HOFFMAN of Michigan. Mr. Speaker, I object. I think the Members ought to have an opportunity to read the report.

The SPEAKER. Does the gentleman from Michigan object?

Mr. HOFFMAN of Michigan. I do, Mr. Speaker.

The SPEAKER. The question is, Will the House consider the resolution?

The question was taken; and two-thirds having voted in favor thereof, the motion was agreed to.

The SPEAKER. The gentleman from Ohio is recognized.

Mr. SPENCE. Mr. Speaker, will the gentleman yield?

Mr. MCSWEENEY. I yield.

AMENDING THE COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the managers on the part of the House may have until midnight tonight to file a conference report on the bill S. 900, the Commodity Credit Corporation legislation.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The conference report and statement are as follows:

CONFERENCE REPORT (H. REPT. 643)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words 'direction and control of its Board of Directors' at the end of the said section and substituting therefor the words 'supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary")."

"SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: 'The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of

the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purchase of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets.

"Sec. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. DIRECTORS, ADVISORY BOARD: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the "Board"), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist, of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other

duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

"Sec. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. PERSONNEL OF CORPORATION: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

"SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

"(a) by inserting in the second sentence thereof after the word 'jurisdiction' a comma and the following: 'without regard to the amount in controversy;'

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: 'No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of

the plaintiff's claim established in the suit.'; and

"(c) by inserting before the period at the end thereof a comma and the following: 'except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court.'

"SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS "COMMODITY CREDIT CORPORATION"

"(f) No individual, association, partnership, or corporation shall use the words "Commodity Credit Corporation" or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

ELBERT THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference recommended that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment and that the House agree to the same.

In general the conference substitute follows the language of the House amendment. Except for clarifying changes, the differences between the conference substitute and the House amendment are indicated below.

The House amendment provided that the members of the Board of Directors of the Commodity Credit Corporation would be appointed by the Secretary of Agriculture and serve at his pleasure. The Senate bill provided that the members of the Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. Both the House amendment and the Senate bill provided for an Advisory Board. The conference substitute retained the language of the House amendment with respect to the Board of Directors of the Corporation, but modified the provisions relating to the Advisory Board so that appointment of the five members of the Advisory Board would be made by the President, by and with the advice and consent of the Senate, and the members of the Advisory Board would serve at the pleasure of the President.

The House amendment modified the provision in the present Charter Act which prohibits the Corporation from acquiring real property or any interest therein in such a manner that the Corporation could rent or lease office space necessary for the conduct of its business, or acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing and disfectively and efficiently any of the Corporation, or of otherwise protecting the financial interest of the Corporation. The Senate bill provided that such authority could not be used for storage for cotton, tobacco, and refrigerated cold storage. The conference substitute contains the language of the House amendment and the following provision with respect to refrigerated cold storage:

"Provided further, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose."

The conference substitute would permit the Corporation to lease refrigerated cold storage facilities but would prohibit it from constructing or purchasing such facilities except with funds specifically provided by Congress for that purpose. This limitation on the construction or purchase of refrigerated cold storage facilities is not intended to prevent the Corporation from making replacements of machines and equipment, repairs or improvements necessary to operate and maintain leased cold storage facilities.

Both the House amendment and the Senate bill contained a provision, included in the conference substitute, which provides that before the Corporation could acquire real property or any interest therein for the purpose of providing storage facilities for any commodity, it must determine that existing privately owned storage facilities for such commodity in the area concerned are not adequate. It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned", will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved. For some commodities, especially those which are largely consumed on or near the farms which produce them, the "area concerned" must of necessity mean the immediate area in which the commodity is produced, because it is not customary or practicable to store the commodity in areas remote from points of origin. For other commodities a different situation prevails. In the case of cotton, as an example, the "area concerned" could well mean the entire cotton producing belt. The whole cotton marketing system, as well as the freight rate structure, is built around the fact that cotton moves for storage toward the ports and consuming mills at no additional expense to the grower.

Wool, as another example, normally is stored in the consuming areas of the Northeast, far removed from the heavier producing areas of the West.

This fact has been recognized by the Corporation in the operation of its cotton loan and purchase programs. Where threatened or confronted with total local cotton stocks in excess of local storage capacity, it has been the practice of the Corporation to "reconcentrate" sufficient loan or purchased stocks to provide storage space for the remainder of local cotton storage demand. Such "reconcentrated" cotton has been moved to available cotton storage facilities en route to ports of exportation and domestic consuming areas so that, under the railroad cotton rate and "transit" structure, the cotton could be reshipped to consuming destinations without loss in transportation costs. This practice—common among pri-

vate cotton marketing agencies—recognizes the economy of utilizing available storage capacity along routes of normal movement, as opposed to the waste involved in providing additional local storage capacity which will not be substantially utilized year after year.

In its 1948 cotton loan program, the Corporation applied this principle in inaugurating its "receiving agency" arrangements, under which the Corporation "receiving agent" would receive the cotton from the producer, and, without delay, provide the producer with full benefits of the loan program. Such cotton was placed under railroad bills of lading, consigned to available cotton warehouses located along authorized railroad routes to seaports and domestic consuming areas. Under this procedure, the railroad bills of lading, initially used in lieu of warehouse receipts in consummating the loan, are later exchanged for insured warehouse receipts issued by the warehouses to which the cotton is consigned. This procedure has operated to the satisfaction of all concerned. It permits prompt use of the loan procedure by cotton producers, and maximum economical utilization of available cotton storage facilities.

The House amendment contained a provision with respect to the storage of grain on farms which provided that the Corporation shall make loans not to exceed 17½ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made by the Corporation and the growers. The Senate bill contained no similar provision. The conference substitute follows the language of the House amendment except that it eliminates the condition that the loans not exceed 17½ cents per bushel of the estimated crop.

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation (1) shall be limited in any way in utilizing other authority contained in its Charter to assist farmers including other than grain farmers by loans or other means in providing adequate storage facilities; (2) shall look exclusively to the proceeds of price support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities; (3) shall be restricted from making loans available to growers for storage facilities through banks and other established lending agencies; and (4) shall be required to apply the full amount of the proceeds of any price support received by a grower against the loan made to the grower for storage (on the contrary, it is contemplated that the Corporation would provide for repayment of the loan over a period of time).

Both the Senate bill and the House amendment contained provisions permitting the Commodity Credit Corporation to exchange agricultural commodities for strategic and critical materials produced abroad. The Senate bill placed these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act. The House amendment set them forth as an amendment to the Act approved August 11, 1939 entitled "An Act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad". The conference substitute places these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act and follows the language of the provision in the House amendment except that there was added thereto the words "easily storable", contained in the Senate

bill, in the description of the agricultural commodities which shall be given priority in exchange for strategic and critical materials, and there was also added a provision contained in the Senate bill that strategic and critical materials acquired by Commodity Credit Corporation shall be transferred to the stock pile "to the extent approved by the Munitions Board of the National Military Establishment". In placing the authority for the exchange of agricultural commodities for strategic and critical materials in the Commodity Credit Corporation Charter Act, as did the Senate bill, the term agricultural commodities has the meaning ascribed to it in Section 2 of the Commodity Credit Corporation Charter Act.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

PAY, ALLOWANCES, AND PHYSICAL DISABILITY RETIREMENT FOR MEMBERS OF THE ARMED FORCES

Mr. McSWEENEY. Mr. Speaker, this resolution makes in order H. R. 4591, which is designed to raise the pay of certain officers in the armed forces of our country.

Those of us who have had an opportunity to serve in the armed forces realize that there will be many men who have devoted their lives to this service and are underpaid, and at all times subject to the lure of going out into private industry and there giving their splendid talents at a much higher compensation. Many of us know what has been done by the Army engineers, for example. Men who, like Goethals, could build the Panama Canal, as you know, would be at great premium in private industry; yet these men because of their devotion to their country, because of their love of service for their country, have stayed in the armed forces. The effort of this committee now is to try to make some adjustments, if possible in the pay levels in the armed services. So, Mr. Speaker, we are asking the membership to consider this bill on its merits. It was voted out unanimously by the committee.

Mr. JAVITS. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. JAVITS. I have had a great many letters from men, especially enlisted men, who feel that the enlisted man has been overlooked in this bill, that in some respects, it might be to their disadvantage.

Mr. McSWEENEY. In reality there are changes and adjustments in this bill to equalize compensation for the enlisted man and to eliminate some of the inequalities that have existed in the past. I am sure that the enlisted man, especially the married enlisted man, will have a better opportunity to continue his Army life and have a better opportunity to spend time with his family in a decent manner and not have to live entirely separated from them.

Mr. JAVITS. But in the main the bill does not affect the enlisted man especially.

Mr. McSWEENEY. Not as much, possibly, as the officers.

Mr. KILDAY. Mr. Speaker, will the gentleman yield?

Mr. McSWEENEY. I yield.

Mr. KILDAY. This bill deals with the enlisted men and officers. I think it is the first pay revision covering all grades and ranks since 1908. When we get into the merits of the bill I think it will be shown that the percentage increase is almost identical for both enlisted men and officers.

Mr. MCSWEENEY. May I add that there has been a constant effort to encourage men to give their lives to the service; and this bill does provide, as I have stated, better conditions for the married personnel.

Mr. Speaker, I yield one-half hour to the gentleman from Ohio [Mr. BROWN].

Mr. BROWN of Ohio. Mr. Speaker, I yield 1 minute to the gentleman from Ohio [Mr. JENKINS].

Mr. JENKINS. Mr. Speaker, I ask unanimous consent to proceed out of order.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. JENKINS. Mr. Speaker, the testimony given yesterday before the Joint Congressional Committee on Atomic Energy by Communist Hans Friestadt has shocked the Nation.

This young Communist is not as culpable as those who placed him in such a strategic position.

Mr. Speaker, David Lillenthal is responsible for the appointment of this, the son of an internationally known Communist.

Several years ago I was a member of the joint committee of the House and the Senate appointed to investigate the TVA, of which Lillenthal was then one of its chief executives. From several months' association with him, I think I know him. I would not have appointed him to any position in the Government requiring patriotic loyalty.

I would not have confirmed his appointment to the Atomic Energy Commission. If I were a member of the joint committee now making this investigation, I would demand his immediate resignation.

If I were the President of the United States I would accomplish his immediate separation from any connection with our atomic energy activities.

Mr. HOLIFIELD. Mr. Speaker, will the gentleman from Ohio yield me 1 minute?

Mr. MCSWEENEY. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Speaker, the gentleman from Ohio who just addressed the House is in error, because Mr. Lillenthal is not responsible for the appointment of this young man to a scholarship. The National Research Council Advisory Board is a completely separate board from Mr. Lillenthal's organization. They choose fellowships for the Rockefeller Foundation and for many other research positions; and, therefore, in this particular instance, the gentleman is not aware of his facts.

This National Research Council is a nonprofit organization composed of about 30 professors and deans from the largest colleges in the United States. They choose qualified students for fel-

lowships for the Rockefeller Foundation, Merck & Co., RCA, American Cancer Society and the National Foundation for Infantile Paralysis as well as for the Atomic Energy Commission. That is said in no way as an excuse for this young man receiving a fellowship, but the gentleman is in error in putting the blame on Mr. Lillenthal, that is not according to the facts.

Mr. JENKINS. Mr. Speaker, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Ohio.

Mr. JENKINS. Does not the gentleman recognize that the press all over the country has blamed this on Mr. Lillenthal?

Mr. HOLIFIELD. Does the gentleman realize that the press has made many mistakes such as stating that three-fourths of a pound of uranium is missing when it is only 4.5 grams?

Mr. JENKINS. Does the gentleman recognize the fact that Mr. Lillenthal has stepped into the responsibility and has never availed himself of the opportunity to deny it and to step out of it?

Mr. HOLIFIELD. I may say to the gentleman that this matter has been taken into consideration by the House and Senate Joint Committee on Atomic Energy. I believe the gentleman should ascertain the facts before he takes the well of the House.

The SPEAKER. The time of the gentleman from California has expired.

Mr. MCSWEENEY. Mr. Speaker, I yield 5 minutes to the gentleman from Massachusetts [Mr. McCORMACK].

Mr. McCORMACK. Mr. Speaker, if this bill is completed today, and I hope it will be, it is my intention to ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

In view of that probability, I am prompted to make a few remarks at this time, purely nonpolitical and of a commendatory nature on the House Radio Gallery and the members of that gallery, who tomorrow will celebrate the tenth anniversary of the establishment of this particular gallery, functioning under authority of the House and of the Senate, giving and transmitting to the people of the country and the world valuable news of the proceedings in the Congress and the proceedings in the various departments and agencies of our Government.

I think special mention might be made of Robert M. Menaugh, Superintendent of the House Radio Gallery, who was the prime mover in having the House establish this gallery 10 years ago tomorrow, and also the prime mover in connection with the establishment of the same gallery in the Senate of the United States.

The original membership was 26; today it is 185. The majority of that membership represents the correspondents of the independent stations and regional networks throughout the country. Television correspondents were admitted to membership in 1947.

The following newscasters will broadcast from the House Radio Gallery as part of the celebration of the gallery's tenth anniversary: Bill Coyle, Dave

Brinkley, H. R. Baukhage, Robert McCormack, Leif Eid, Bill Shadel, Albert L. Warner, Earl Godwin, George Reedy, Headline Edition, Elmer Davis, Gil Kingsbury, Charles Parmer, Richard Eaton, and others, between the hours of 12 o'clock noon and 7:30 p. m.

We of the House are glad that we caused this gallery to be established 10 years ago, and we have been very happy in our association with the members of the gallery during this 10-year period. I know I speak the sentiments of my colleagues in expressing to the gallery our congratulations on its tenth anniversary and our confidence in it. We know that in the years to come the members of the radio gallery will continue to give to the people of the country the straight news as they have during the past 10 years.

Mr. MARTIN of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. McCORMACK. I yield to the gentleman from Massachusetts.

Mr. MARTIN of Massachusetts. Mr. Speaker, I join with my distinguished friend from Massachusetts, the majority leader, in commemorating this tenth anniversary of radio broadcasting from the Nation's Capitol. As minority leader, I remember back in 1939 the early struggle of this little group to become a part of the news transmission system of our country. At that time it was a little difficult for them to secure the tiny foothold they did in this House. But they were persistent and they were happily successful. In those days I remember there were pioneers like Fulton Lewis, Albert Warner, William McAndrew, Frank Morrison and others who kept the people through the Nation informed as to what was going on in the Congress of the United States. The number now engaged in this service is 185. I can readily see, with the coming of television, that this is going to be an even mightier service than in the past. I am sure that we will all join with our broadcasters tomorrow in this anniversary which they will celebrate. We join in their commemoration of a notable event and we are sure that there is greater growth and a greater opportunity for radio ahead.

Mr. McCORMACK. I thank my friend from Massachusetts for his timely observation.

I now yield to the gentleman from Indiana [Mr. HALLECK].

Mr. HALLECK. I was glad to hear the majority leader mention the name of my very able and friendly and fine fellow Hoosier, Bob Menaugh, who has labored so diligently and so efficiently and so well to make the House Radio Gallery the great success that it has been. I just could not pass up this moment without adding my words of commendation for that great Hoosier, Bob Menaugh.

Mr. McCORMACK. Mr. Speaker, I yield to the gentleman from Wisconsin [Mr. KEEFE].

Mr. KEEFE. Mr. Speaker, I want to congratulate the distinguished majority leader for calling attention to the fact that tomorrow marks the tenth anniversary of the founding of the House Radio

We are facing the most serious menace of all times—international communism. The Communist Party in the United States should be outlawed because its activities have become so dangerous to the welfare of our citizens that it can no longer be allowed to shield itself behind the protective bulwark of American law. In reality the American Communist Party is not a political party in the true sense of the word but is an arm and an agent of a foreign power—the Union of Soviet Socialist Republics. This is clearly demonstrated by the history of the Communist Party in the United States.

The ultimate aims of the Communist Party in this country are to overthrow the American form of government and the democratic way of life. The Communists would establish in the United States a totalitarian dictatorship which we have already seen imposed on many countries of the world.

By praising the revolutionary teachings of Lenin and Stalin, the American Communists practically admit advocating the use of force and violence for attaining their aims. Because of its loyalty to the Red flag of international communism and the Soviet Union, the Communist Party in the United States is a fifth column, and thus a threat to American security. Prime Minister Paul-Henri Spaak, in a speech before the UN Assembly on September 28, 1948, in Paris, stated:

You make us uneasy because in every one of the countries represented here you maintain a fifth column, alongside which Hitler's fifth column was but an organization of boy scouts.

EXTENSION OF REMARKS

Mr. SMITH of Kansas asked and was given permission to extend his remarks in the RECORD and include an article on States' rights.

Mr. COUDERT. Mr. Speaker, on yesterday I obtained permission to insert in the RECORD a newspaper article. I am informed by the Public Printer that the cost will be \$168.75. Notwithstanding the cost, I ask unanimous consent that the extension may be made.

The SPEAKER. Notwithstanding the cost and without objection the extension may be made.

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. JENSEN. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and include an editorial by Mr. A. M. Piper, editor of the Council Bluffs Nonpareil. The title of this editorial is "Our Nation's Foundation." The editorial is timely and good.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

[The matter referred to appears in the Appendix.]

Mr. WILLIAMS asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RANKIN asked and was given permission to extend his remarks in the RECORD on the unfortunate death of Sec-

retary Forrestal, and include therein a short statement he made in the House some time ago, together with several newspaper articles.

PERMISSION TO ADDRESS THE HOUSE

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

[Mr. RANKIN addressed the House. His remarks will appear hereafter in the Appendix.]

EXTENSION OF REMARKS

Mr. WELCH of California asked and was granted permission to extend his remarks in the Appendix of the RECORD and include a newspaper article.

CALL OF THE HOUSE

Mr. VINSON. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently there is no quorum present.

Mr. MANSFIELD. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 103]

Arends	Eaton	Patman
Barrett, Pa.	Gilmer	Pfeiffer,
Bonner	Grant	William L.
Buckley, N. Y.	Hagen	Phillips, Tenn.
Bulwinkle	Hall, Edwin	Plumley
Celler	Arthur	Powell
Chipfield	Hinsaw	Ramsay
Chudoff	Hoffman, Ill.	Rhodes
Clevenger	Hull	Riehlman
Combs	James	Shafer
Cooley	Jenison	Short
Crook	Jennings	Smith, Ohio
Cunningham	Keefe	Smith, Wis.
Davenport	Klein	Stanley
Davies, N. Y.	Lichtenwalter	Taylor
D'Ewart	McSweeney	Thomas, N. J.
Dingell	Morrison	Whitaker
Dolliver	Murphy	Withrow

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

FRANK J. PATZKE ET AL.

Mr. BYRNE of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 1299, an act for the relief of Frank J. Patzke, Archie Mitchell, J. L. Shoemaker, Einar Engen, and N. L. Gifford, with Senate amendments thereto, and concur in the Senate amendments. The Senate amendments are merely clarifying and do not affect the amounts as passed by the House.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 11, after "Dakota," insert "and Bertha Myrtle Patzke, of Bly, Oreg."

Page 2, line 1, strike out "his" and insert "their."

Page 2, line 2, strike out "his" and insert "their."

Amend the title so as to read: "An act for the relief of Frank J. Patzke and others."

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. TACKETT. Mr. Speaker, reserving the right to object, may I ask something about these amendments?

The SPEAKER. This is a claims bill. The gentleman from New York said the amendments are only clarifying and do not change the amount.

Mr. TACKETT. I withdraw my reservation of objection, Mr. Speaker.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

The Senate amendments were agreed to.

EXTENSION OF REMARKS

Mr. WHITAKER (at the request of Mr. CLEF) was granted permission to extend his remarks in the Appendix of the RECORD and include an article.

Mr. RIVERS asked and was granted permission to extend his remarks in the RECORD and include an address by Hon. EDWIN CARL JOHNSON, of Colorado.

AMENDING THE COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

Mr. SPENCE. Mr. Speaker, I call up the conference report on the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, and ask unanimous consent that the statement on the part of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House May 19, 1949.)

Mr. SPENCE. Mr. Speaker, this is practically the House bill that passed the House by a vote of 326 to 52. As nobody has asked for time, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The question was taken; and on a division (demanded by Mr. GAMBLE) there were—ayes 158, noes 28.

So the conference report was agreed to.

A motion to reconsider was laid on the table.

PAY, ALLOWANCES, AND PHYSICAL DISABILITY RETIREMENT FOR MEMBERS OF THE ARMED FORCES

Mr. KILDAY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4591) to provide pay, allowances, and physical disability retirement for members of the Army, Navy, Air Force, Marine Corps, Coast Guard, Coast and Geodetic Survey, Public Health Service, the reserve components thereof, the National Guard, and the Air National Guard, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H. R. 4591) providing pay and physical disability retirement for members of the uniformed services, with Mr. RABAUT in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on Friday, May 20, the Clerk had read through line 4 on page 1 of the bill.

Mr. KILDAY. Mr. Chairman, I move to strike out the last word and ask unanimous consent that I may proceed for five additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KILDAY. Mr. Chairman, on Friday when the Committee rose we had barely begun to read the bill. I feel that there is a preliminary statement I should make at this time.

The first is that we are concerned with our ability to attract and retain the type of men we need in the armed services. I may point out that prior to the war when commissions in the Regular service were tendered to honor graduates of schools they were invariably accepted. Rarely was there a vacancy. This year 1,000 such commissions were tendered and thus far only 11 have been accepted. Those two facts alone, I believe, indicate the situation which exists in reference to our ability to attract men from the honor graduates who are tendered a commission in the Regular service.

The other day I went over in quite some detail the number of resignations which we have had in the service. The fact is that of those men who were integrated into the Regular Navy since 1946, 15 percent have resigned. I appreciate the statements which have been made here to the effect that there are a great many men who have applied for return to extended active duty and have not been accepted. That situation does exist. There is a large number of them. But the acceptance of those applications does nothing to solve the problem which confronts us. It is not a case of securing men on a temporary basis to go on extended active duty. We have to attract the kind of men we want and retain them in the proper age distributions. It does no good for us to have men on temporary duty so far as the career service is concerned.

This bill provides a career compensation plan. We want to attract men who are under 25 years of age and who are willing to go into the service for the purpose of remaining there, we hope, for the full active period of 30 years. Unless and until we can do that, our Military Establishment will remain upon a temporary basis. I believe you will agree that that is a very unhealthy situation.

Mr. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. KILDAY. I yield to the gentleman from California.

Mr. JOHNSON. What the gentleman says is also true with reference to the enlisted man. Since the war we have enlisted over 1,000,000 men. The reason

they do not reenlist is because there is not enough attraction in the future life of a soldier for them. This bill will correct that situation.

Mr. KILDAY. That is true. I am coming to the question of enlisted men.

There has been concern expressed on the floor of the House with reference to the enlisted men. I have noted that there is a great deal of confusion with reference to what this bill does as to the enlisted men. First of all, may I say that the committee has received hundreds of letters from men in the enlisted ranks as well as in the officer corps. At first there was a good deal of confusion as to what the bill provided. Radio commentators and newspaper columnists have publicized what they claim to be discrimination against the enlisted men. It answered those letters, and I believe we have been able to convince the enlisted men that under this bill they are given a most attractive career.

In addition to that, the Hook Commission was composed of three outstanding businessmen and one educator, and that was the Reverend John Cavanaugh, president of the Notre Dame University. Father Cavanaugh was primarily concerned with the sociological provisions of the bill and the manner in which it would affect the young men, and the moral standards which would apply in the service. He appeared before our committee and wholeheartedly endorsed this bill. He stated that he had been primarily concerned with the welfare and the interests of the enlisted men.

A great deal of confusion has arisen over the provision of abolishing family allowances. I hope that I may have your attention while that is discussed, because there is great confusion among the membership as to that provision. It does not affect the compensation of the enlisted men so far as pay allowance for quarters and for subsistence is concerned. By that I mean it does not affect them adversely, but it does give them a very substantial increase.

At the present time quarters allowance is drawn by only the three highest grade enlisted men, the three highest grades of noncommissioned officers. At the present time those allowances are \$31.50 for subsistence and \$37.50 for quarters. Under this bill, we increase the quarters allowance for the first three grades to \$67.50 a month, an increase of \$30. In addition we provide that the first four grades will hereafter be entitled to quarters allowances, and when a fourth-grade man has served for a period of less than 7 years his quarters allowance is \$45, but when he has served 7 years his quarters allowance goes up to \$67.50.

What does this mean? It means that the married enlisted man who has heretofore had a total in allowances of \$69 under the provisions of this bill is going up to \$99, so that there is that substantial increase.

The opinion seems to prevail on the part of some that the family allowance has some connection with this provision. It does not, even with the abolition of the family allowance, which is not a portion of this compensation, but is a gratuity that was instituted during the war to provide for the family when the man who

was supporting them went into the service. Under the provisions of this bill, any man above the bottom three grades, with four dependents or less, will draw more money even though the family allowance law is repealed.

Now the people that we are worried about; the fact that we have 150,000 single men who are claiming dependents because under the Dependents Allowance Act, the family Allowance Act, it does not have to be a wife and children, but it extends to parents, brothers and sisters and in-laws. Do you realize that we have one private who is now drawing family allowance for 14 people? He is a private in the Army drawing family allowance for 14 people. If you are going to have a career plan where men are willing to pursue that career, you are not going to be able to be paying a man about half for long service, and for important service, of what you are paying a man who is rendering very relatively unimportant service, but you are paying him because of the number of children or brothers and sisters that he might have. We have a corporal with 12 dependents, a wife and 11 children, who is drawing \$280 a month in family allowance. That is in addition to his pay, quarters, subsistence, and clothing. In cash he draws \$400 a month. The total value of his pay is \$508 a month. We have a private with 9 dependents, a wife and 8 children, total allowance \$220; a private with 14 dependents, 5 class A, wife and 4 children; 9 class B, one parent and 8 brothers and sisters, total family allowance \$285. This is the phase of the family law which is abolished by this bill. During the war the family allowance was absolutely essential and thoroughly justified. It was something that had to be done in morality and justice, when you were taking men into the service who had families and there was no one to support them, but can it be contended that on a career compensation plan this can be continued? I submit that it cannot.

Now, on the family-allowance provision, somebody asked me to yield, and I will yield at this time. I have another point I want to make.

Mr. LANHAM. If the gentleman will yield, under what conditions does the soldier draw the quarters allowance? In other words, if he is overseas does his family get the quarters allowance?

Mr. KILDAY. Unless they are occupying Government quarters, they get it.

Mr. LANHAM. But if the soldier himself and his family are occupying Government quarters they do not get that allowance, or the subsistence allowance?

Mr. KILDAY. They get the subsistence.

Mr. LANHAM. They do get the subsistence? Does the family get that even if the soldier is overseas?

Mr. KILDAY. That is correct.

Mr. LANHAM. Would it be possible to repeal the family allowance provision at the end of the enlistment period instead of at the end of 6 months, because it seems unfair that a man who has gone into the Army depending upon getting that family allowance should have it withdrawn arbitrarily.

voting, the Senator from Connecticut [Mr. BALDWIN] would vote "nay."

The Senator from Indiana [Mr. CAPEHART] and the Senator from New Hampshire [Mr. TOBEY] are absent on official business.

The Senator from New Jersey [Mr. SMITH] is absent because of illness.

The Senator from Kansas [Mr. REED] and the Senator from Ohio [Mr. TAFT] are detained on official business.

The Senator from Montana [Mr. ECTON] is detained at a meeting of the Committee on Post Office and Civil Service.

The result was announced—yeas 26, nays 46, as follows:

YEAS—26

Aiken	Hill	Malone
Brewster	Humphrey	Morse
Bricker	Ives	Smith, Maine
Butler	Kem	Thomas, Utah
Cain	Knowland	Vandenberg
Cordon	Langer	Watkins
Ferguson	Lodge	Wiley
Gillette	Long	Williams
Hendrickson	McCarran	

NAYS—46

Anderson	Hunt	O'Connor
Bridges	Johnson, Tex.	O'Mahoney
Byrd	Johnston, S. C.	Pepper
Chapman	Kefauver	Robertson
Connally	Kilgore	Russell
Donnell	Lucas	Saltonstall
Douglas	McCarthy	Sparkman
Downey	McClellan	Stennis
Eastland	McFarland	Thomas, Okla.
Ellender	McGrath	Thye
Flanders	McKellar	Tydings
Graham	Magnuson	Wherry
Gurney	Millikin	Withers
Hayden	Mundt	Young
Hickenlooper	Myers	
Holland	Neely	

NOT VOTING—24

Baldwin	Hoey	Murray
Capehart	Jenner	Reed
Chavez	Johnson, Colo.	Schoeppel
Ecton	Kerr	Smith, N. J.
Frear	McMahon	Taft
Fulbright	Martin	Taylor
George	Maybank	Tobey
Green	Miller	Wagner

So Mr. MORSE's amendment No. 1 was rejected.

Mr. MORSE. Mr. President, I offer my amendment No. 2, which I send to the desk and ask to have stated.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. On page 8, line 10, it is proposed to strike out "shall have no vote but."

On page 8, line 17, it is proposed to strike out "two" and insert in lieu thereof "four."

On page 8, line 25, beginning with the colon, it is proposed to strike out all down to and including the word "services" on page 9, line 2.

ATTACK UPON VICTOR REUTHER

Mr. FERGUSON. Mr. President, I rise to speak for a few minutes about a matter which has occurred in the State of Michigan, namely, an attempt to assassinate Victor Reuther, the educational director of the United Automobile Workers Union, CIO.

A few months ago his brother, Walter Reuther, who is president of the United Automobile Workers, CIO, was attacked, in an attempt upon his life by assassination, in the city of Detroit. Both Walter Reuther and Victor Reuther have lived in Detroit, Mich., for many years. They

have taken a very active part in union activities and in labor activities. They are respected in Michigan, and they are fighting for a cause in which they firmly believe.

I wish to state here that those who committed the assault upon Walter Reuther have never been brought to trial. So far as can be learned, the police have been unable to solve that particular crime.

Now a similar calamity has occurred, in that Victor Reuther, who is the educational director of the United Automobile Workers, CIO, has been attacked under very similar circumstances and has been severely wounded, and there is grave doubt whether he will recover.

These are very serious things to happen in the United States of America. Not only should every effort be made by every law-enforcement agency in the State of Michigan to solve the crimes and to bring the guilty persons to trial, in order that they may receive the fullest penalties of the law, but I call the matter specifically to the attention of the Department of Justice of the United States in the hope that the Department's entire facilities may be made available in this particular case, as they should have been made available in the previous case, which I called to the attention of the Department of Justice at the time.

There is always the element of uncertainty as to whether a Federal criminal statute has been violated. Therefore, without going into the niceties of the law, the Department of Justice and the FBI of the United States of America should exert every effort to apprehend the guilty person or persons. They should not allow the trail to become cold. They should exert every effort to detect the perpetrators of these atrocious crimes. It is a terrible thing when citizens in America cannot occupy their homes without the danger of a murderous assault and when the perpetrators of such crimes go unscathed of justice.

I request the Department of Justice to take every possible step toward the solution of the crimes, to proceed immediately before the trail gets cold, and to extend to the local authorities every possible assistance and the use of every facility to apprehend and bring to trial those responsible for the dastardly crime of murderous assault not only upon Victor Reuther, last evening, but upon his brother, Walter Reuther.

Those who would commit crimes of that kind must be taught the lesson that in America such things cannot be allowed to happen and that the perpetrators will be apprehended, no matter at what cost and no matter by what law-enforcement agency. Let it be known that we are going to stamp out such crimes so that men carrying on the work of labor organizations, similar to the work done by Victor Reuther and Walter Reuther, may have no fear of assault or of being killed in the performance of their duties in the United States.

The labor union is an American institution, fully recognized by law, and is entitled to the absolute protection of law.

There are many things the Federal agencies may be able to do in this case.

They have scientific facilities for analysis and detection, and other devices which certain departments of our great State of Michigan may not possess. I ask that they exert every effort to cooperate with the State of Michigan in the solution of these crimes, and of this particular crime.

COMPENSATION TO THE SWISS GOVERNMENT FOR WAR DAMAGES

The VICE PRESIDENT laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H. R. 4392) to provide for the payment of compensation to the Swiss Government for losses and damages inflicted on Swiss territory during World War II by United States armed forces in violation of neutral rights, and authorizing appropriations therefor, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. CONNALLY. I move that the Senate insist upon its amendments, agree to the request of the House for a conference, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to: and the Vice President appointed Mr. PEPPER, Mr. GREEN, and Mr. LODGE conferees on the part of the Senate.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma submitted the following report, which was read:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words 'direction and control of its Board of Directors' at the end of the said section and substituting therefor the words 'supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary"))'."

SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing

privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

SEC. 3. Section 9 of said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that

any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

(a) by inserting in the second sentence thereof after the word "jurisdiction" a comma and the following: "without regard to the amount in controversy,";

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: "No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in

the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court".

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

ELBERT THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. The question is on agreeing to the conference report.

Mr. WILLIAMS. Mr. President, may we have an explanation from the chairman of the committee as to what changes the conference report makes?

Mr. THOMAS of Oklahoma. Mr. President, the bill as agreed to in conference does not vary materially in most respects from the bill passed by the Senate.

The bill provides for a board of directors, to be appointed by the Secretary of Agriculture, the board to consist of six members. It also provides for an advisory board, to be appointed by the President, the members to be confirmed by the Senate.

The Senate bill provided that the Commodity Credit Corporation should have no authority to construct either cotton, tobacco, or refrigerated cold-storage facilities. The House adopted what is known as the Brown amendment, which provides that before any kind of storage facilities can be constructed there must be an investigation, and the Commodity Credit Corporation must determine that there is a necessity for such storage facilities. That covers everything, including tobacco and cotton.

A modification was made in the Senate cold-storage provision, in that the Commodity Credit Corporation cannot now either purchase or construct cold-storage facilities. It can lease them or acquire them otherwise for temporary use, but it cannot construct or purchase cold-storage facilities.

Those are the main changes in the Senate bill.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILLIAMS. Will the Senator explain on what basis the conferees rejected the Senate provision for confirmation of members of the Board of Directors?

Mr. THOMAS of Oklahoma. Members of the Board of Directors appointed by the Secretary are not to be confirmed by the Senate; but the members of the Advisory Board, appointed by the President, must be confirmed by the Senate.

Mr. WILLIAMS. Do I correctly understand that the Advisory Board has no power whatever other than to give advice to the Board of Directors, who in turn have no power other than to carry out the suggestions of the Secretary of Agriculture?

Mr. THOMAS of Oklahoma. Of course, the Congress is the policy-making branch of the Government; and the Secretary is charged with responsibility for carrying out the policies of Congress. For that reason he is given wide authority to select his own advisers. I presume that the persons to be appointed on the Advisory Board will be recommended by the Secretary of Agriculture.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I should like to add that, although the Advisory Board does not have executive powers, it does have the duty of keeping informed at all times as to what is going on, and to have knowledge of the policies of the Commodity Credit Corporation. It is true that it has no executive power, but it certainly has a duty.

Mr. WILLIAMS. Do I correctly understand that the members of the Advisory Board are not even on a straight salary?

Mr. THOMAS of Oklahoma. Members of the Advisory Board are on a per diem. I think the per diem is uniform on similar boards. The per diem is \$50.

Mr. LUCAS. Mr. President, will the Senator yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. Am I correct in my understanding that the conference report is unanimously submitted by all the conferees?

Mr. THOMAS of Oklahoma. On the Senate side, that is correct. I cannot say with respect to the House side.

Mr. LUCAS. I am speaking now only of the Senate conferees appointed by the Vice President.

Mr. THOMAS of Oklahoma. Each member of the Senate conferees was present; each member took an active part in the consideration; and each member was fairly well satisfied with the result. Each member signed the report.

Mr. LUCAS. That is, both Republicans and Democrats, of the Senate conferees, have signed the report?

Mr. THOMAS of Oklahoma. That is correct.

Mr. SALTONSTALL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. SALTONSTALL. Do I correctly understand the Senator to say that no facilities can be built, until, in the opinion of the Secretary, there is a scarcity of facilities in a particular area; and secondly, that no refrigeration plants

shall be built under any circumstances, but only existing plants can be leased? I am particularly interested in the latter provision.

Mr. THOMAS of Oklahoma. If cold-storage plants should be built hereafter, they could be leased; but the provision is that the Commodity Credit Corporation shall have no authority to construct or purchase additional cold-storage facilities.

Mr. SALTONSTALL. They cannot even be leased unless there is a shortage. The provision, so far as the shortage of plants is concerned, would not necessarily apply to refrigeration plants.

Mr. THOMAS of Oklahoma. No; I think they are on a separate basis.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. AIKEN. I should like to read to the Senator from Massachusetts the wording which the conferees adopted in regard to cold-storage facilities:

Provided further, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose.

That means that, if it were found absolutely necessary to have more facilities, the Commodity Credit Corporation would have to come to Congress to get a specific appropriation for the purpose.

Mr. SALTONSTALL. I thank the Senator.

Mr. AIKEN. I further believe that the so-called Brown amendment adopted in the House covers the entire situation anyway; but the wording adopted by the conferees makes it doubly sure that no cold-storage facilities will be constructed, except with the express consent of the Congress.

Mr. KEM. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. THOMAS of Oklahoma. I yield.

Mr. KEM. I should like to ask the Senator why, in the judgment of the conferees, it was advisable to depart from the usual and customary principle of confirmation by the Senate of members of an important executive board.

Mr. THOMAS of Oklahoma. The main reason is that the House would not consent to confirmation by the Senate. We were forced to accept that provision. We spent four sessions in trying to arrive at an agreement on two or three points. This is one point upon which I am sure the House of Representatives would not have yielded.

Mr. KEM. Without going into detail, will the Senator from Oklahoma outline the reasons advanced by the conferees on the part of the House for taking that position?

Mr. THOMAS of Oklahoma. As I understand the situation, it is this: The Congress passes laws directing the Secretary of Agriculture to do certain things, and we hold him responsible for carrying out the duties thus imposed upon him by the laws passed by Congress.

The position taken by the House of Representatives, as I understand it, is that the Congress must give the Secretary of Agriculture the power to carry out the functions imposed upon him by

the laws passed by Congress, and that in order to be able to do so, he must have a Board upon which he can rely.

Mr. KEM. Could not the same argument apply with equal force to the Members of the President's Cabinet?

Mr. THOMAS of Oklahoma. That is correct.

Mr. KEM. And could not the same argument apply similarly to the members of various commissions and boards, whose names are almost constantly before the Senate for confirmation?

Mr. THOMAS of Oklahoma. That is correct.

Mr. KEM. I should like to ask a further question. Does not the Senator from Oklahoma agree that the constitutional provision for a check and balance by way of confirmation by the Senate, is a wise one and should be adhered to generally in governmental operations?

Mr. THOMAS of Oklahoma. In response to that inquiry, I should like to suggest that if a Board of Directors of the Commodity Credit Corporation were appointed and confirmed by the Senate, and thereafter the members of the Board refused to go along with the Secretary of Agriculture in carrying out the policies as he interpreted them, there would be a stalemate or a block. The Secretary of Agriculture would be responsible, but in such circumstances he would have no power to act.

The House has taken the position, as I understand, that inasmuch as the Secretary of Agriculture is responsible and inasmuch as the Congress looks to him entirely in that connection, he should have the power to appoint a Board to assist him in carrying out the duties imposed upon him by law.

Mr. KEM. Is it not true that in the Humphreys case, although it was stated that the persons involved were confirmed by the Senate, nevertheless it was held that the President could remove them in case of a stalemate such as the Senator from Oklahoma suggests; and has it ever been considered that the possibility of a stalemate which might result from a difference of opinion between the President and a member of his Cabinet was any reason for not requiring that the members of the President's Cabinet be confirmed by the Senate?

Mr. THOMAS of Oklahoma. I agree with all the Senator from Missouri says.

Mr. KEM. Does the Senator from Oklahoma agree that there is very doubtful wisdom in asking the Senate to accede to the position taken by the House of Representatives in this case?

Mr. THOMAS of Oklahoma. I say I do not think so. That is my point of view.

Mr. AIKEN. Mr. President, I wish to say that apparently it was the position of the House of Representatives that in view of the fact that the Secretary of Agriculture is held responsible for carrying out the price-support programs, and that the Commodity Credit Corporation is an instrument given to the Secretary of Agriculture to use in carrying out those programs, it therefore is in a little different position from other Government corporations.

Mr. KEM. Mr. President, will the Senator yield?

Mr. AIKEN. I yield.

Mr. KEM. The President is Commander in Chief of all the armed forces of the United States; but to my knowledge it has never been suggested that it is an unwise thing for the Secretary of Defense and the Under Secretaries of Defense and all the commissioned officers of the United States armed forces to have to be confirmed by the Senate.

To me, the doctrine advocated by the Senator is a most astounding one, and, for my part, before it is accepted by the Senate, I think it should receive very careful consideration.

Mr. AIKEN. It has been considered that greater flexibility of control would be possible through the use of the Commodity Credit Corporation by the Secretary of Agriculture rather than for him to undertake to handle the entire matter personally.

Furthermore, besides being more flexible and providing for quicker action in various cases, it is the belief that it would be better to keep the work done by the Corporation under the control of the General Accounting Office than it would be to have the work mixed in with the other work of the Department of Agriculture.

Mr. KEM. I have no doubt that under those circumstances the Corporation would be much more flexible and much more susceptible of control. It never occurred to me that the situation would be otherwise.

But whether the removal of the check and balance provided by the Constitution in cases of this kind would be a wise thing, I think, is an entirely different question. It seems to me that in our quest for flexibility and our quest for control we may be overlooking a very essential check and balance which has long stood the American people in good stead.

Mr. AIKEN. I may add that the check and balance by means of congressional control rests on the Secretary of Agriculture himself, who is responsible for carrying out the program.

Mr. KEM. The same argument would apply in the case of the President of the United States, who, as Commander in Chief, is responsible for the armed forces of the United States. Yet the Senate confirms all his Cabinet officers and every commissioned officer in the armed forces.

It has never been understood that such a provision did not give the President sufficient flexibility and the armed forces under his control sufficient freedom of movement to defend the United States.

Mr. AIKEN. However, in this case the point might be made that it is not necessary to have a Commodity Credit Corporation at all. We could put the entire responsibility upon the Secretary of Agriculture, but I doubt whether he would do as good a job as he would if he had a board of directors and a commodity credit corporation through which he could act.

Mr. KEM. I grant that the Congress could elect to make such a provision; it could simply turn over to the Secretary

of Agriculture these billions of dollars, and could say to him, "Use them as you see fit." But the Congress has not done so.

Mr. AIKEN. Finally, let me add that the conferees on the part of the House of Representatives were insistent upon this procedure. Of course, Mr. President, time is of the essence. There is a feeling that this bill should be passed quickly. The House agreed to have the advisory board members confirmed by the Senate, in return for permitting the Secretary of Agriculture to have the power to appoint the executive board of the Commodity Credit Corporation, for whose actions he is held responsible.

Mr. KEM. Mr. President, will the Senator further yield?

Mr. AIKEN. I yield.

Mr. KEM. I simply wish to ask whether it is true that the advisory board is merely a debating society, without any actual function or duty.

Mr. AIKEN. No; I would not think so.

Mr. KEM. Will the Senator from Vermont point out any power the advisory board has in carrying out the responsibilities of the Commodity Credit Corporation?

Mr. AIKEN. The wording of the conference report in that respect is as follows:

(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.

It was felt that by putting them on a per diem basis men of higher grade could be obtained, men who would have had broader experience in agriculture and business than it would be possible to obtain if those officials were put on a flat salary basis, because men of the type who should comprise this Board would not be available at any price or salary which the Congress would be likely to provide for them.

I say to the Senator from Missouri that probably this provision, like any other provision of the laws the Congress passes, can be abused by the executive department concerned, if there is a deliberate attempt to abuse it.

Mr. KEM. Mr. President, I seem to have failed, as I often do, to make myself clear. The question I put to the Senator from Vermont was, What authority does the Advisory Board have?

Mr. AIKEN. I may say it has the duty of advising the Secretary of Agriculture

in about the same respect that the Tariff Commission has the duty of advising the President on trade agreements.

Mr. KEM. I realize the Senator from Vermont is not on the stand, and I do not want to press him unduly; but if the Advisory Board has any authority, I wish the Senator from Vermont would advise us what it is.

Mr. AIKEN. It has no authority.

Mr. KEM. Very well.

Mr. AIKEN. As I have stated, it has duties which I consider comparable to the duties of the Federal Tariff Commission in advising the President on trade agreements.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. KEM. I should like to ask the Senator from Vermont one further question.

The VICE PRESIDENT. Does the Senator from Vermont yield; if so, to whom?

Mr. AIKEN. I yield first to the Senator from Missouri.

Mr. KEM. Why is it that the conferees took such an elaborate care to give the Senate the right to confirm the Advisory Council, but denied the Senate the right to confirm the officials who have the actual authority to run the Board?

Mr. AIKEN. For the simple reason that no conference report would have been back here yet had we not reached an agreement, after negotiating on a give-and-take basis with the House managers, in accordance with the usual practice in conferences.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question at that point?

Mr. KEM. Does the Senator from Vermont feel that as Members of the Senate we should give up the constitutional responsibilities and duties we usually exercise in cases of this kind, at the mere whim of the House managers?

Mr. AIKEN. I would not say it was a mere whim. I thought it was a determination. I felt that it was important to reach an agreement as soon as possible, in order to protect the support-price program, with additional storage for our surplus crops this year.

Mr. KEM. Should we not in a case involving the constitutional duties and responsibilities of the Senate be just as determined as our friends at the other side of the Capitol?

Mr. AIKEN. I think the friends at the other side of the Capitol had to yield certain things they had put in their bill, also.

Mr. KEM. Just what did they yield?

Mr. AIKEN. They had to yield on the section providing for loans to farmers for the purpose of constructing grain bins on their farms. They had to yield in two or three other cases. On the matter of cold-storage construction, they had to yield, and they were also very determined about that.

Mr. KEM. Does the Senator feel that those provisions were in any respect as far reaching and important as the constitutional considerations involved in the right of the Senate to confirm an important official?

Mr. AIKEN. I would not say they were as far reaching as the provisions of the bill which was ultimately passed by the Senate, but they are as far reaching as the bill which was reported to the Senate by the Committee on Agriculture.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. AIKEN. I will yield the floor if I get a chance.

The VICE PRESIDENT. The Senator has the right to yield the floor at this time, if he cares to exercise it.

Mr. WILLIAMS. I am addressing my question to the distinguished Senator from Vermont.

The VICE PRESIDENT. Does the Senator from Vermont yield to the Senator from Delaware?

Mr. AIKEN. Does the Senator from Delaware want me to yield to him before I yield the floor?

Mr. WILLIAMS. I wanted to ask the Senator a question.

Mr. AIKEN. Mr. President, if I may yield to the Senator from Delaware before I yield the floor, I shall do so. I do not know how I acquired the floor in the first place.

Mr. WILLIAMS. Mr. President, I understood the Senator from Vermont to say that time was of the essence. I have heard that statement so often in the Senate Chamber that I should like to have him explain just what the rush is about the pending bill.

Mr. AIKEN. Time is always of the essence. While it is true that certain types of storage can be provided by the Commodity Credit Corporation under the law as it now exists, yet it is entirely possible that certain types of necessary storage will not be available in time to take care of this year's grain crop, and whatever is decided upon should be decided upon right away, so that plans may be made and carried out adequately to meet the situation.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Assuming that to be correct—and I have heard that statement made so often I am beginning to believe it—why was there incorporated in the bill the controversial provision about the appointment of directors? Why was that provision included in the Senate bill and put before the Senate when the Senator knew full well that it was a controversial matter, and that, had it been omitted we should have had the remainder of the bill enacted and in force 3 months ago? Why was a provision conferring this great power upon the Secretary of Agriculture put in a bill which the Senator knew the Senate was going to approve? In my opinion it was done, for just one purpose. The Secretary of Agriculture thought he could make the Senate swallow it, in order to get the other portions of the bill which the Senate approved; is not that correct?

Mr. AIKEN. No, I did not have any idea of making the Senate swallow anything the Senate did not want to swallow. This provision is not by any means my sole responsibility; the matter was considered by the Committee on Agriculture and Forestry, and it was reported

by that committee in about the same shape, relative to the appointment of the directors, as it is now included in the conference committee report.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. WILLIAMS. The Senator will agree with me, will he not, that the bill would have been passed 3 months ago if he had omitted that controversial feature?

Mr. AIKEN. I agree it would have been passed months ago, if everybody could have agreed on the provisions of the bill.

Mr. WILLIAMS. And yet this controversial provision, which has absolutely nothing to do with the storage program, representing merely an effort on the part of a cabinet officer to grab some extra power, is incorporated in a bill which the committee felt it could run through the Senate. Is that not correct?

Mr. AIKEN. I do not feel that the provisions of last year's bill relating to the appointment of directors of the Commodity Credit Corporation were effective, as the Senator from Delaware intended they should be. I think the President named as directors those who were recommended to him by the Secretary of Agriculture; and so far as that goes, the Senate has not confirmed them yet, to the best of my knowledge.

Mr. WILLIAMS. Mr. President, will the Senator yield further?

Mr. AIKEN. I yield.

Mr. WILLIAMS. Is not the reason we have not confirmed them due to the fact that the President, being so sure he is going to get this bill pushed through Congress, has failed thus far even to submit the nominations to the Senate?

Mr. AIKEN. I do not know what the President was sure of.

Mr. WILLIAMS. They have not been submitted, though. That is a fact, is it not?

Mr. AIKEN. I would not interpret what is in the mind of the President.

Mr. WILLIAMS. But it is a fact the nominations have not been submitted as yet, even today. Is that not correct?

Mr. AIKEN. I do not recall whether they have been submitted. I believe that the ones who are acting as directors were recommended by the Secretary of Agriculture.

Mr. WILLIAMS. The Commodity Credit Corporation has operated for nearly a year under a system wherein the board of directors would be appointed by the President, and supposedly be confirmed by the Senate. Can the Senator from Vermont point out to me how in any way that restriction which we placed in last year's bill has affected the operations of the Commodity Credit Corporation?

Mr. AIKEN. I may say to the Senator from Delaware that I am not completely satisfied with the operations of the Commodity Credit Corporation during the past few months. I hope, if we can get the Advisory Board once appointed and confirmed by the Senate, that their advice may be found very helpful to the Secretary in carrying out the price-support programs. I cannot conceive of the

Secretary going contrary to the advice of the Board which will be appointed by the President and confirmed by the Senate. I think any Secretary of Agriculture would be very foolhardy indeed to do that, and I expect that the Senate would use particular care to see that the members of the Advisory Board met the qualifications set forth in this provision of the conference report, that these men should reflect broad agricultural and business experience. It is entirely true that the Secretary is not obligated to take their advice, but I think it would be unfortunate and very unwise on his part if he failed to give consideration to it.

Mr. WILLIAMS. Mr. President, will the Senator yield for a further question?

Mr. AIKEN. I yield.

Mr. WILLIAMS. I understand the Senator from Vermont was an enthusiastic supporter of the Hoover Commission's report which was adopted in the Senate a few days ago.

Mr. AIKEN. That is correct.

Mr. WILLIAMS. Then, how does the Senator from Vermont reconcile that action with the action taken here? Is not the taking away from the Senate of the power to confirm the directors a direct contradiction of the recommendations of the Hoover Commission?

Mr. AIKEN. I do not recall that the Hoover Commission made any recommendations as to the handling of price-support programs of the Commodity Credit Corporation.

Mr. WILLIAMS. The Commission wrote an entire volume on that subject.

Mr. AIKEN. That was not a recommendation of the Commission, as I recall; it was a recommendation of one of the task forces. I would say that some of the recommendations of the task forces were given very little credence by the Commission itself. I do not know whether the one to which the Senator refers was given serious consideration. Frequently, the Hoover Commission members disagreed strongly with the recommendations of the task force.

Mr. WILLIAMS. I should like to read this statement which is contained in the Task-Force Report, Appendix F, in which there is pointed out the "deplorable state of affairs found in both the RFC, the Public Housing Administration, the Farm Credit Administration, and the General Accounting Office." They also point out how the situation should be corrected.

Mr. AIKEN. May I inquire who wrote that report?

Mr. WILLIAMS. I do not know who wrote it. It was signed by Herbert Hoover, chairman, and submitted to the Senate.

Mr. AIKEN. That is a task-force report; is it not?

Mr. WILLIAMS. It is.

Mr. AIKEN. There was considerable dissent in the Commission with reference to task-force reports relating to business enterprises in the Government.

Mr. WILLIAMS. It is signed by T. Coleman Andrews, chairman; Harry E. Howell, Edward A. Kracke; Maurice E. Peloubet; Weston Rankin; J. S. Seidman; and Donald F. Stewart.

There was no minority report.

Mr. AIKEN. With respect to task-force recommendations, there would not be a minority report. In regard to that task-force report, I think I dissented, although I am not sure to which report the Senator has reference.

Mr. WILLIAMS. There is another question I should like to ask, preferably of the chairman of the committee, if the Senator will yield.

Mr. AIKEN. I yield the floor.

Mr. WILLIAMS. I should like to refer to page 2 of the conference report as submitted, in which it is stated that the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply for financing the construction or purchase of storage, and the loans shall be deducted from the proceeds of price-support loans or purchase agreements between the Corporation and the growers.

I should like to ask the Senator from Oklahoma whether it is planned to confine the local power to make loans exclusively to the farmers or whether the power is unlimited.

Mr. THOMAS of Oklahoma. It is not the policy of Senate committees to make reports giving interpretations of the law. The House has such a practice. As a rule, the House conferees submit a report to the House giving their interpretation of what the legislation will mean if enacted and signed by the President. The feature with respect to loans was considered, but I think no one is very enthusiastic with reference to the policy of making loans with Federal funds to farmers for the building of storage facilities. That is my interpretation of the situation. I doubt if the Department, if the bill should be enacted, would go to any great extent in spending public funds in providing storage on farms. It is not a policy which has been approved.

Mr. WILLIAMS. If the Senator will yield further, I should like to read to him a statement from a recent bulletin issued by the Department of Agriculture. It has not yet been released, but it has passed through the top personnel:

It is hoped that the Production and Marketing Administration can get enough local cooperatives and others interested in the grain storage problem to file requests for loans.

Mr. THOMAS of Oklahoma. It is not the purpose of the bill to authorize or to encourage the construction of warehouses through Federal funds. It is the purpose to secure storage through private enterprise. It is the purpose to point out locations in which storage is necessary and to try to enlist private capital to build the storage. If that cannot be done, then the second step will be to make loans, if necessary, to cooperatives. If that cannot be done, the only alternative is for the Government to build the facilities.

Mr. WILLIAMS. Do I correctly understand that the Senator from Oklahoma feels that the Department of Agriculture, if the bill is enacted into law, has no intention to move in and establish Government-owned and Government-operated storage facilities on a large scale?

Mr. THOMAS of Oklahoma. Only as a last resort. It is to encourage private capital to construct storage. If that cannot be done, and the storage cannot be provided, the second step will be to encourage cooperatives to build the storage either with private capital or through Federal loans. If that cannot be done, the Government must build the facilities with Federal funds. That is my interpretation of the program.

Mr. WILLIAMS. I should like to ask the Senator from Oklahoma, because I am very much concerned with the future of this program, what the Secretary of Agriculture plans to do with this power, assuming the bill is passed. Has the Senator conferred with the Secretary of Agriculture regarding his proposed plan of operation, and is it as the Senator has just stated it? Is that the Senator's understanding of the plan?

Mr. THOMAS of Oklahoma. That is correct.

Mr. WILLIAMS. I happen to have on my desk the bulletin to which I referred a few minutes ago, which the Secretary of Agriculture has issued to the top administrative personnel in the Department. I might say it is a bulletin which the Department apparently did not intend Congress to see, because at the top it is stated that "the report is sent to you for your personal information only and is not for publication."

It goes on to say that if the administrators wish to discuss it "you must refrain from giving any information as to where you secured it, or you must not refer to this bulletin as an official document."

Mr. AIKEN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Delaware yield to the Senator from Vermont?

Mr. WILLIAMS. I yield.

Mr. AIKEN. Will the Senator advise us to whom that pamphlet is directed?

Mr. WILLIAMS. It is a bulletin which was published by the United States Department of Agriculture, and the title is "Proposed Program To Provide Government Storage Facilities for Stock-piling Grain."

Mr. AIKEN. Is it dated?

Mr. WILLIAMS. Yes; it is dated in February 1949. It has not been released to the public. I suppose it is ready for release at any time. I am very much interested in it, because it indicates the great interest the Secretary has in getting this bill through the Congress. I want to read a summary of his instructions to his top personnel:

The need to expand these facilities to a recommended capacity of at least 500,000,000 bushels is more fundamental than the problem of our making the existing legislation work.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. May I ask who signed that bulletin?

Mr. WILLIAMS. I would ask the same question myself. I assume it was the Secretary of Agriculture who put it out. It is an official bulletin of the Depart-

ment. The answer I received in reply to my request for information was:

How did you get the bulletin yourself?

Mr. AIKEN. I shall not ask the Senator from Delaware how he got it, because I realize that if we divulge the sources of our information, the sources would soon dry up.

Mr. WILLIAMS. I do not think there is any secret about it. I would not want to say at this time where I received it. I assumed the Secretary of Agriculture, knowing of my interest in the program, sent it to me. That is an assumption. I would not say that to be a fact. At least I have it.

Mr. AIKEN. It is possible that the Senator from Delaware might be laboring under an erroneous assumption in thinking that the Secretary of Agriculture sent that to him.

Mr. WILLIAMS. That is possible.

Mr. AIKEN. Is the tenor of the bulletin such as to direct PMA committeemen to seek out those who might be interested in getting loans for grain storage?

Mr. WILLIAMS. Yes. I am going to read a little of this bulletin, because I think Members of the Senate would be very much interested in it. I think the Senator from Oklahoma, the Senator from Vermont, and the Senator from New Mexico were sincere when they told us that it was not their intention to set up a duplication of the storage facilities in his country, Government-owned and operated. Yet that is a part of the program of the Secretary of Agriculture, and I wish to read what the Secretary of Agriculture in this bulletin has told his key personnel, in reply to the suggestion of the Congress urging them to the fullest extent possible to utilize existing storage facilities.

I wish to read from page 7 of the bulletin as to the attitude of the Secretary of Agriculture in regard to Government storage facilities:

The suggestion that in the carrying out of price-support operations on grains existing commercial-storage facilities be more extensively utilized, would not be practicable.

In other words, he has no intention of carrying out the intent of Congress. I read further, showing where he has outlined his over-all and long-range storage program. We find this statement:

A grain-storage program of a magnitude and an expedient nature such as the proposed program should be carried out and operated as a Government project under the jurisdiction of the Commodity Credit Corporation.

Mr. ANDERSON. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from New Mexico.

Mr. ANDERSON. Did the Senator say that was sent out by the Secretary of Agriculture?

Mr. WILLIAMS. Oh, no.

Mr. ANDERSON. I believe the Senator said it was February when that was circulated. I believe there were people in the Department of Agriculture who felt that there should be a large wholesale program of constructing these fa-

cillities. Subsequent to the sending out of documents like that, which was done by people unauthorized, actually, to express policy, the Secretary of Agriculture appeared before the House Committee and the Senate Committee on Agriculture. Questions were developed by many members of the committees as to the intentions, and I think the Senator will find that, based upon those questions, the Secretary of Agriculture probably gave additional instructions, and somewhat different instructions, to those who were mailing out that material. The Secretary, following that, received instructions from the Congress itself that he should use existing facilities, and not engage in a program of constructing governmental facilities.

I was very much interested in the questions of the Senator from Missouri when the Secretary was before the committee, in which the Senator from Missouri quite effectively, I thought, pinned down the question as to what the program was. My understanding is that the entire first year's program will be devoted to storage on the farm. I know nothing beyond that.

Mr. WILLIAMS. I might say to the Senator from New Mexico that I in no way question his intentions. I think he is sincere in this, and I think that the Senator from Missouri [Mr. KEM] when he asked the same questions in the committee had every right in the world to believe the Secretary of Agriculture, but I do say, and I say it without any reservation, that I do not think that the Secretary of Agriculture meant what he told the Senator from Missouri, because at the very time when he was testifying before the Committee on Agriculture, making those statements, there was this document which he had written and passed down to his top administrative personnel telling them to go out and undermine the existing law.

I should like to read further for just a moment—

Mr. ANDERSON. Will the Senator yield to me at that point?

Mr. WILLIAMS. I yield to the Senator from New Mexico.

Mr. ANDERSON. I wish to say to the Senator that only a moment ago he evidenced that his good nature still remained, and I want to remind him that 2 or 3 years ago there appeared in an official publication of the Department of Agriculture a very pleasant, let me say, if not complimentary, write-up of the then Secretary of Agriculture. I had heard about it, and had twice given instructions that it was not to appear; but it appeared anyway. I do not know how it appeared. I do know that the Secretary of Agriculture does not always control what goes out from the Department. Many times people, in what they think to be in furtherance of a program, send out preliminary material to get reactions from the field, and suggestions as to proposed programs, but they come back and are subject to review by the Secretary, and certainly are subject to review by the congressional committees. This time the congressional

committees have quite clearly said to the Secretary of Agriculture that they do not expect him to construct these facilities, except under the principles laid down in the report.

The Senator from Vermont called my attention to a statement in the report issued by the managers on the part of the House which is absolutely contradictory and diametrically opposed to the language of the law. I think that when the language of the law is clear, there is no statement that would change the clear import of the language.

Mr. LANGER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. In a moment. I might say to the Senator from New Mexico that once again I am not speaking of news reports which are put out by someone in the Department of Agriculture contrary to the Secretary's intentions; I am speaking of an official bulletin which never should have been put out unless it did have the approval of the Secretary of Agriculture, one which in my mind never was put out without the approval of Mr. Charles Brannan. I might say that he has so far not made any effort to deny the fact that this went out with his full approval.

To find out just what the program was, at the time the bill was discussed I received a letter from the Secretary of Agriculture in reply to questions which I asked him as to the extent of their program. At that time he stated that they intended to build 150,000,000 bushels of possibly needed capacity for 1949. I think that is what he testified before the committee.

Reading on page 2 of this report, I find the following:

To meet the critical storage situation which is almost certain to be developed when the 1949 grain crops begin to move to market, a program must be initiated at once and completed this year to provide for the construction of not less than 150,000,000 bushels of Government-owned and Government-operated trackside storage facilities.

That part of the program he told Congress about. That part of the program was incorporated in a letter addressed to me, and one which I in turn put into the RECORD at the time of the debate.

Reading in the same paragraph of this bulletin, however, we find that he says:

The further extension of Government grain-storage facilities to a capacity of at least 500,000,000 bushels for corn and wheat alone should be planned for completion within the next 3 years.

He did not tell Congress about that part of the program, he did not tell the committee about it, when he was testifying before it. Yet he had prepared this document and passed it down to the top personnel in his office staff, for their instruction in field operations, without telling any member of the committee about it, to my knowledge.

I should like to ask the Senator from New Mexico if he knew about this overall, long-range program.

Mr. ANDERSON. I did not know about it, and I am quite sure that the intentions which the Secretary may have

had at that time have been very materially changed by the action of the Congress itself.

Mr. WILLIAMS. Again, Mr. President, I reluctantly disagree with the Senator from New Mexico, because while I know he is sincere in what he has said, I think he is wrong, because this bulletin was sent out into the field as late as 10 days ago to some of the men, and they were still operating under these instructions. I know that to be a fact.

Now I wish to read a little further about the long-range program, because the 500,000,000 bushels is only the beginning. I read:

If an international wheat agreement should become operative, the program would have to be expanded to provide for an additional 100,000,000 bushels of Government wheat-storage facilities in order to assure dependable supplies for export to participating importing countries.

In other words, that would bring it up to 600,000,000 bushels. Even that is not all the long-range program of the Secretary of Agriculture, because I find that is only his program for wheat and corn.

When we come under the title of "Soybeans," we find these instructions—and I am quoting from the Department's bulletin:

Although no recommendations are made at this time with respect to Government-owned facilities for storing soybeans, it may be necessary in the near future to enlarge the recommended storage programs set forth here to include adequate facilities for storing such supplies of soybeans as are acquired by CCC under price-support programs.

In other words, they are going into the soybean storage field in addition to the 600,000,000 bushels of wheat and corn.

Turning to page 4, under the subtitle of "Grain Sorghums," I find this statement:

In the light of the specific problems involved in the marketing and farm storage of grain sorghums, the construction of Government facilities capable of holding up to 25,000,000 bushels should consist of permanent track-side storage structures equipped with adequate facilities for handling and conditioning the grain for storage.

That again is in addition to the other program.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. Did Mr. Brannan sign that bulletin?

Mr. WILLIAMS. These bulletins are put out by the Department of Agriculture without signatures, but naturally they have his approval. It is an official document, I might say, and I am going to ask when I get through to have it printed as an official Senate document. I think we should all have a chance to read it in its entirety.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. LANGER. I take it from what the distinguished Senator from Delaware has said that he is opposed to this program of storage capacity for 600,000,000 bushels of soybeans, wheat, and other grain?

Mr. WILLIAMS. Yes, I am opposed to it until such time as the Department of Agriculture comes before the committee and tells us the truth, and convinces the committee and the Congress that it is essential. I am opposed to the Secretary of Agriculture coming before committees of Congress and saying, "I want storage capacity for 150,000,000 bushels," when at the same time he is after many times that amount, and fails to tell us the truth. I am opposed to that part of it at any time.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Vermont.

Mr. AIKEN. I should like to say that the emphasis in the bill, as I understand it, which was intended by the conferees, and I was one of the conferees on the part of the Senate, is placed upon furnishing adequate on-farm storage. If the Secretary engages in a storage program of the magnitude indicated by what has been read by the Senator from Delaware, and goes in for a system of permanent storage facilities, or any storage except that which may be of an emergency nature, he would very clearly be violating the intent of the Congress, as set forth in the conference committee bill.

Mr. WILLIAMS. I might say to the Senator from Vermont that he may be violating the intent of Congress, and he would, but he would not be violating the law we are asked to pass today, because in the conference report which we are asked to accept we would be giving him the power to build any number of permanent storage facilities he wishes to build, and there is nothing in the law anywhere that I have seen that would prevent him from doing so.

Mr. AIKEN. I may say to the Senator from Delaware that I do not believe we should stop legislating simply because we fear some administrator in the executive branch of the Government is going to violate the intent of the Congress. There are other remedies to be used when that is done. I do not believe we should abrogate our right to legislate simply because we fear someone is going to violate the law.

Mr. WILLIAMS. The reason I am emphasizing this point is to show that when Congress turns the power over this \$5,000,000,000 corporation over to the Secretary of Agriculture, it would be well for Congress to know what he plans to do with that power, and what I am reading is the plan as outlined by the Department of Agriculture itself.

Mr. AIKEN. I may further say to the Senator from Delaware that I hope he does not accept as gospel all material sent to the PMA committeemen throughout the country, because in the last 2 weeks they have received material containing utterly and absolutely false statements. Probably the Secretary would not assume responsibility for that. Who sends it out I do not know. Such a thing should be stopped. If it is not stopped, the whole Department of Agriculture is going to be discredited. But let me reiterate that we should not dis-

continue our efforts to enact the best possible legislation simply because we fear that someone in the executive department is going to abuse his power.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I should like to reply to the Senator from Vermont first by saying that I am not reading from material sent out to the PMA men all over the country. I am reading from material sent to a few of the top administrators, as instructions to them. It is not passed out all over the country. This is still classified as a highly confidential document.

Mr. ANDERSON. Mr. President, may we look at the material from which the Senator is reading, so we may examine it?

Mr. WILLIAMS. I shall be glad to let the Senator do so in a moment; yes.

Mr. KEM. Mr. President, will the Senator now yield to me?

Mr. WILLIAMS. I yield.

Mr. KEM. Both the Senator from New Mexico [Mr. ANDERSON], who was formerly Secretary of Agriculture, and the Senator from Vermont [Mr. AIKEN], who has long been a member of the Senate Committee on Agriculture, have referred to the confusion and utter lack of control now existing in the Department of Agriculture. I want to ask the Senator from Delaware whether in his judgment in view of the testimony of these two eminent witnesses as to the existing conditions of affairs, it is wise and sound for the Senate to vote to turn over to the Secretary of Agriculture the unrestricted control of this \$5,000,000,000 corporation?

Mr. WILLIAMS. I certainly do not think we should turn it over to him, particularly in view of the fact that he is indicating now his intention of not trying to carry out the wishes of Congress, and that he is making his plan to construct a large number of new storage facilities regardless of what the board of directors might say. He already has his program outlined, as shown in the report. I certainly think we should not turn any long-range program over to him. I am opposed to turning over to any one man such power as is contained in the charter of the Corporation.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I should like to explain to the Senator from Missouri that the publication to which I took exception was not an official publication of the Department of Agriculture, but was a publication of the employees of the Department of Agriculture. They decided I had no control over that publication. I guess possibly they were right. I did feel, however, that since they were all employees of the Department I might prevail on them not to put it out.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. MUNDT. I wonder if the Senator from Delaware agrees with me that the retention of the so-called Phillips amendment in the conference report

tends to lessen by a considerable degree any need that might have existed for Government-owned storage facilities such as are contemplated in the report from which the Senator is now reading?

Mr. WILLIAMS. I think it does, yes.

Mr. MUNDT. And would the Senator from Delaware agree with me that that is a very important contribution, to which the Secretary should devote himself energetically, because the proper place to store grain is on the farm, in the farmer's own bins, rather than in Government-owned storehouses?

Mr. WILLIAMS. Yes; I agree with the Senator, but I think he will agree with me that there is nothing in the law which would confine the Secretary to carrying out the program for providing storage on the farms. Under the conference report as submitted to us today, the Secretary has the power to build an unlimited capacity of Government-owned and Government-operated track-side storage facilities. Is that not correct?

Mr. MUNDT. He has that power, I think, but he would have to ignore entirely the legislative record, and, as Senators speaking from both sides of the aisle have made clear, it is the intention of the Congress that the Secretary exercise that authority only after a need has been demonstrated to exist, which cannot be taken care of by privately built storage facilities. Is not that the record of the debate?

Mr. WILLIAMS. The Senator from South Dakota is probably correct. That is the record of the legislation as passed by the Senate. But we have before us today, not the Senate version of S. 900 but the House version, and that is not the record of the House bill. I read to the Senate an interpretation as contained in the statement of the managers on the part of the House. The Senator will remember that in the bill itself it is provided that the Commodity Credit Corporation cannot build storage facilities in any area without first determining that the existing storage facilities in that area are inadequate. That was clearly the intention, I think, of every Member of the Senate, including the members of the committee.

Mr. MUNDT. That is correct.

Mr. WILLIAMS. In the statement of the managers on the part of the House we find a phrase of which I am a little skeptical. I read from page 6, as follows:

It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved.

If I interpret that language correctly, it means that if the Corporation goes into an area and disapproves of the manner in which the local facilities are conducting their business, then that can be used as determination of the need with respect to existing storage facilities.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. Almost that same question was addressed to me by the dis-

tinguished Senator from North Dakota when the bill was on the floor.

Mr. LANGER. That is correct.

Mr. ANDERSON. I tried to answer as fairly as I could, that I did not believe the bill gave the Department of Agriculture or the Commodity Credit Corporation the authority to do that. I still feel that it does not give that authority. I object to that language in the statement of the managers on the part of the House, but we have no authority to control it.

I invite the attention of the Senator from Delaware to this phrase on page 7 of the report, about the third paragraph:

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation * * * (2) shall look exclusively to the proceeds of price-support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities.

Yet the bill itself is diametrically opposed to that. I believe that the wording of the law would be controlling, and not the report submitted by the managers on the part of the House.

Mr. WILLIAMS. I hope the Senator from New Mexico is correct in that respect, but the record shows that the report of the conference committee, of which the Senator from New Mexico was a member, agreed to the language in this report. It is clearly stated on page 6—

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. The Senator must not say that, because I know he does not mean it. The conferees on the part of the Senate did not agree to a single word in the statement of the managers on the part of the House. I am sure the Senator from Vermont will bear me out in that statement.

Mr. AIKEN. That is correct.

Mr. ANDERSON. It is not the practice in the Senate for Senate conferees to submit statements. That is the practice in the House. However, so far as I am able to learn, the rule of the Department has always been that while it may look to the language of the statement of the managers on the part of the House, it looks to the words of the Senate debates. I am sure that the Senator from Vermont will bear me out.

Mr. AIKEN. That is correct.

Mr. WILLIAMS. The reason I assumed that the Senate conferees had agreed to this report was that in reply to a question asked by the Senator from Illinois [Mr. LUCAS] it was stated that the report was unanimous.

Mr. ANDERSON. It is a unanimous report with regard to those things which are to be the law; but there is no joining with the managers on the part of the House in the language of their statement. I am sure the Senator from Vermont would be the first to say that he never saw the language of the statement of the managers on the part of the House until it was printed in the CONGRESSIONAL RECORD.

Mr. AIKEN. The Senator from New Mexico is entirely correct. The Senate conferees disclaim any responsibility

whatever for the statement of the managers on the part of the House. I never saw it. I do not think any Member of the Senate conferees ever saw the report which was made to the House. In my opinion the discussion which is taking place here on the floor of the Senate should be controlling in any interpretations.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. Do I correctly understand, then, that the House puts one construction on the language and the Senate another? Will the Senator tell me what the Supreme Court is going to do when it comes to read the discussions and the reports, in determining the meaning of the gentleman who wrote the language?

Mr. AIKEN. As the Senator from New Mexico has said, in that case the language of the law itself would probably prevail. In the statement of the managers on the part of the House there is one statement which is certainly absolutely contradictory of the language of the bill. That has already been read by the Senator from New Mexico. It is this:

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation * * * (2) shall look exclusively to the proceeds of price-support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities.

That is a statement with which I disagree. It is contradictory to the language of the bill. The bill itself says:

That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made between the Corporation and the growers.

That provision of the bill is completely contradictory of the statement of the managers on the part of the House. Although I am not a constitutional lawyer, I feel sure that the provision of the law, being written in such plain language and being supported by the discussion on the floor of the Senate, should certainly prevail over the statement of the managers on the part of the House.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. I think it is a clear legal and constitutional proposition that if the language of the law is clear, the court does not look at anything but the law.

Mr. AIKEN. I do not know how it could be any clearer.

Mr. BREWSTER. If the law is in doubt, if the language is ambiguous, the court looks to the debates and the discussion. If the court should reach that point, if there were any doubt, the House and the Senate being entirely correlative and coequal, the court would have to give as much weight to what the House said as to what the Senate said, if it

were within the limits of any reasonable construction of the language.

I hope the Senator from Vermont and the Senator from New Mexico are correct, that there is no doubt about it; but if there is any doubt, the Senate will have no primacy so far as construction is concerned.

Mr. AIKEN. In this case I should say that only the most deliberate intention could result in misinterpreting the wording of the bill as it is written.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. I should like to ask the Senator from Delaware if in his judgment, in view of the doubt as to the construction of this language, it would not be the course of wise legislation to refer the bill back to the conferees and have it straightened out. We certainly should not enact any law when, on the day of its enactment, we do not know exactly what it means.

Mr. WILLIAMS. I feel that that is correct, but I do not feel that there is so much doubt about it when we read the statement of the managers on the part of the House. That was the basis upon which we were going to operate until we started this discussion. As I understood the chairman of the committee at the time he presented the report this afternoon, he stated that he was presenting a unanimous report. Again it is clearly stated on page 6:

It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved.

I should like to read a further statement contained in this so-called "confidential" bulletin issued by the Department of Agriculture. Reading from page 13:

It is an outstanding shortcoming of the competitive system of free market prices that there is not sufficient incentive to individual producers or processors of grain to store supplies sufficiently large to level out, as far as possible, periods of shortages and surpluses or periods of high and low demand.

In other words, they have already prejudged that the existing storage facilities are not sufficient. They go further and plainly state that the over-all program embraces the expansion of the Government into taking over the grain storage facilities of the country.

I call attention to another item, under the title "Oats"—

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. I yield?

Mr. ANDERSON. I think the Senator from Delaware is performing a service in bringing these matters out. However, I consulted with Members of the Senate conferees when I first saw the statement of the managers on the part of the House. I went to the distinguished Senator from Vermont and said, "We must clear up some of these points on the floor. It would be tragic if that statement in the report of the managers on the part of the House should go unchallenged." The Senator from Vermont and I agreed to call it to the atten-

tion of the Senate. I asked the distinguished majority leader to notify me so that I could be present while the discussion was under way.

I do not subscribe at all to some of the statements in the report of the managers on the part of the House. I think it should be clearly understood that the Senate conferees, in presenting the conference report, presented only the language in the conference report, and did not in any way subscribe to the language in the statement of the managers on the part of the House.

Mr. WILLIAMS. I am glad to hear the Senator from New Mexico say that; but since we are agreed that this is dangerous language, does not the Senator agree with me that the proper procedure would be to send the bill back to conference?

Mr. ANDERSON. It is not dangerous language at all. The language of the bill provides that—

These loans shall be deducted from the proceeds of price-support loans or purchase agreements made between the Corporation and the growers.

That language refers to money advanced for construction of facilities for farm storage of grain. It is as clear as it could be. How in the world anyone could make the statement contained in the statement of the managers on the part of the House, I do not know, unless he misread the language. It is a clear contradiction of the plain language of the bill.

Mr. WILLIAMS. I point out to the Senator from New Mexico that the language does not say that money cannot be loaned to any other groups, or under any other circumstances.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. I wonder what the Senator from New Mexico would say to this language, which, as I understand, is found in the document from which the Senator from Delaware has been reading. As I understand, the following language appears on page 7 of the private document:

The suggestion that in the carrying out of price-support operations on grains existing commercial storage facilities be more extensively utilized, would not be practicable.

What does the Senator from New Mexico say to language of that character?

Mr. WILLIAMS. That is the language in the document from which I have been reading, which, up to the present time, Members of Congress have not had the advantage of reading.

Mr. ANDERSON. I do not know anything about that language. I do state that the language which has been agreed to unanimously by the conferees on the part of the Senate and the conferees on the part of the House clearly states, following the suggestions made by many Members of the Senate, that existing private facilities should be utilized. I think there can be no question that the Department would be required to use them, and I doubt that the Department would try to do otherwise.

Mr. WILLIAMS. We all agree on the intent of the Senate, but the House conferees apparently differ.

Mr. ANDERSON. There is absolutely no question.

Mr. WILLIAMS. But there is a question in my mind as to whether there is in the conference report anything which would prohibit the Department from doing otherwise.

Reading from this confidential bulletin it would seem to indicate that the Secretary of Agriculture has no intention of carrying out the intent of Congress. If this is the program of the Secretary of Agriculture—certainly it was his program in February, and he has not recalled it since that time—why did he not tell the Congress about it? If this is the program that is being developed in the Department of Agriculture, do not the Members of Congress have a right to know about it?

Mr. ANDERSON. Yes; I think they have a right to know about it. But regardless of the ideas the Secretary of Agriculture might have had as to what was desirable, after he came before the congressional committees and after they in effect restricted him to a certain practice, he would be obliged to act accordingly, and he could not indulge in his own ideas.

Something was said about the policy of the Department of Agriculture in February; but since that time the Congress has acted in this matter, and the Secretary of Agriculture must live up to what is provided in the pending measure which is about to become the law.

Mr. WILLIAMS. Again I emphasize that I am reading the language of the Secretary of Agriculture; this is a report which was put out by the Department of Agriculture, and for which the Secretary of Agriculture is responsible. If he is not responsible for it, he should have recalled it long ago.

Mr. ANDERSON. I ask the Senator to permit me to see it, and then I can easily determine whether it is the language of the Secretary of Agriculture.

Mr. WILLIAMS. I shall do so in a moment.

I may say that the reason I picked up the report, in the beginning, and became interested in it, is the fact that certain representatives of the Department of Agriculture now are making surveys in regard to the building of such storage facilities. I have already read to the Senate the part of the report stating that their program for wheat and corn is to build storage facilities for 600,000,000 bushels. I have pointed out their program for soybeans and sorghum.

Here is what they say about oats—

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. TYDINGS. I have no desire to curtail the discussion; but simply for the information of myself and other Senators, I should like to inquire whether the discussion of the conference report is likely to terminate this afternoon.

Mr. WILLIAMS. I myself have no intention of prolonging it unduly. As soon as I can read this report, which I wish the Senate to know about—

Mr. ANDERSON. Mr. President, if the Senator from Delaware will permit the Senator from Vermont to straighten him out in regard to the report, I think

he will find that the report he is dealing with is not the report of the Secretary of Agriculture at all.

Mr. TYDINGS. Mr. President, I repeat that I do not wish to curtail the debate or interfere with the participation of any Senator in it, but I am trying to ascertain how long it will continue, so that I may inform those who are waiting with me on the floor of the Senate what to do.

Mr. WILLIAMS. If the Senator from Maryland will determine how many questions will be asked, I shall try to tell him how long it will take to answer them.

I am trying to place this report before the Senate. It is the only way by which the Senate can determine what is going on in the Department of Agriculture. The report has been withheld up to this time.

Mr. TYDINGS. Would the Senator from Delaware assume that probably he would take another hour?

Mr. WILLIAMS. Yes; I think the discussion probably will take that long.

Mr. TYDINGS. I thank the Senator.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. I should like to say that the presentation of this bulletin on the floor of the Senate by the Senator from Delaware disturbed me considerably; and in the last 3 or 4 minutes I have called the Department of Agriculture to find out more about it.

I am advised that this bulletin represents a rather elaborate grain-storage program which was worked out by the Grain Branch of the Production and Marketing Administration. It was submitted to the Secretary of Agriculture, who appointed a special committee to consider it. They called in Mr. Roland Ballou, in charge of the Commodity Credit Corporation's office in San Francisco, because they thought he would be disinterested. After this program—which was worked out within the Grain Branch of the Production and Marketing Administration—had been considered, it was rejected, both by the committee appointed to consider it and by the Secretary of Agriculture.

I am authorized by the Department of Agriculture to make that statement.

Mr. WILLIAMS. I thank the Senator from Vermont, and I am sure he is authorized to make that statement at this time. But I should like to point out that in February of this year—about the same time when the bulletin was issued—the Secretary of Agriculture was writing me a letter stating that he was planning for 150,000,000 bushels of storage capacity. This bulletin was not rejected then. If it has been rejected as of the present time, I feel it safe to say that such action took place since I started speaking this afternoon.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. BREWSTER. I should like to ask the distinguished Senators who are engaging in this debate what they think, in the first place, of the language used and theory represented in this statement in the document, and then I wish to ask whether certain current activities are

not calculated to implement the very policy so stated. I refer to page 15:

The need to expand these facilities to a recommended capacity of at least 500,000,000 bushels is more fundamental than the problem of making existing legislation work.

I should like to ask the distinguished Senator from Vermont and the distinguished Senator from New Mexico whether they consider that an administrative agency of any character should say that the objectives it has in view in regard to legislation are more fundamental and important than making existing legislation work.

Mr. AIKEN. Again I would say that I am advised by the Department of Agriculture—

Mr. BREWSTER. I am not asking that question.

Mr. LANGER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. Who has the floor?

Mr. WILLIAMS. I have the floor.

The PRESIDING OFFICER. The Senator from Delaware has the floor and controls the time.

Mr. AIKEN. Mr. President, I cannot credit—

The PRESIDING OFFICER. Does the Senator from Delaware yield; and if so, to whom?

Mr. WILLIAMS. I think I should yield to the Senator from Vermont, if he can frame his statement in the form of a question.

Mr. AIKEN. I think the Senator from Delaware will give me permission to answer the Senator from Maine. I am simply surprised that the Senator from Maine would think that I would even consider it to be a good theory.

Mr. WILLIAMS. Mr. President, with the understanding that I do not lose the floor—

Mr. AIKEN. Mr. President, if the Senator will permit me to go further, I would say that in my opinion—

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Delaware controls the time. Does he yield; and if so, to whom?

Mr. WILLIAMS. Mr. President, I ask unanimous consent that I may yield to the Senator from Vermont, to permit him to reply to the Senator from Maine, without thereby causing me to lose the floor.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from Delaware?

Mr. LANGER. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Delaware has the floor.

Mr. BREWSTER. Mr. President, will the Senator yield for a question?

Mr. WILLIAMS. I yield to the Senator from Maine.

Mr. BREWSTER. It seems to me that what the Senator from Vermont states is clear, and I accept his statement that the Secretary of Agriculture and the Department of Agriculture do not now advocate the program outlined in the bulletin which has been discussed here.

I wish to ask this question of the Senator from Delaware, and also of the Senator from Vermont and the Senator from New Mexico, whenever they may have an opportunity to reply to it: I should like to know whether the action contemplated today by the Department of Agriculture is not in precise accord with the utterly unsound principle there laid down, when they propose, as I am reliably informed they do, to resume the dumping of potatoes upon the market, although the Department this very day has full power and authority to proceed with the very program of allowing potatoes to seek their own market, and to pay the producers of potatoes the difference, exactly as Mr. Brannan proposes. I wish to know whether the Secretary of Agriculture or any Member of the Senate can defend a proposal of that character, which is so utterly in accord with the suggestion of the very sentence I have read—namely, that making existing legislation work is subsidiary to all other matters—when, as to the current potato crop now coming into the market in the Southern States, instead of exercising the power Secretary Brannan possesses—the power to allow the potatoes to seek their own level, and to pay the potato producers the difference between that price and the support price—it is proposed to start a great program of dumping the potatoes. I want to know what the Senator from Delaware thinks, and, when the opportunity is afforded, what the Senators from Vermont and New Mexico think.

Mr. WILLIAMS. Mr. President, I may say in reply to the Senator from Maine, that I feel that this is a part of the preconceived plan of the Secretary of Agriculture to force the Congress to adopt his long-range farm program by making unpopular the existing legislation. I may say to the Senator from Vermont, that I do not question but that the Secretary of Agriculture did advise him that this bulletin was recalled. I question the accuracy of the Secretary's statement as to when he recalled the bulletin.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. In a moment. Regardless of that, I say that, even if the plan was only off his desk with his approval 1 day, he did submit to a board for their consideration a proposal in which he pointed out to his men that it was far more important for them to get his program enacted into law than it was to make the existing legislation work. That was a damaging statement to come from any member of the Cabinet, even if it only leaves him for 1 day. So the time element as to when this was recalled does not enter into the fact that it was considered. It is the same Secretary of Agriculture. Under this bill he has the power to carry it out any time he wishes to do it, and I still say there is nothing that has been pointed out by anyone which would prohibit him by law from carrying out the program I am outlining.

I read further what he says under the title of "Oats":

A continued high level of oat production will further aggravate the problem of pro-

viding adequate farm-storage facilities for corn, and this has been duly considered in the program of expanding the farm grain-storage facilities, which is being vigorously developed by the PMA.

They are going to take over the storage of rice. Reading further, under the heading "Rice," I find this statement:

A study is being carried on under the Research and Marketing Act to determine the relative advantages of different methods of harvesting, farm marketing, handling, drying, and conditioning for storage and billing, which is expected to provide the information needed for the development of a program of Government storage facilities for rice.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from New Mexico.

Mr. ANDERSON. Would it not be better for the Senator from Delaware to cease saying the Secretary of Agriculture said it? The Secretary of Agriculture has never said it. It did not at any time leave his desk with his approval. I think it is grossly unfair to a public official for the Senator to stand here and undertake to quote him, when the Senator is not quoting him.

Mr. WILLIAMS. Mr. President, I may state it this way: The Department of Agriculture, of which the Secretary of Agriculture is the head, made this statement, and the Secretary of Agriculture did not deny it. The Secretary of Agriculture is responsible for the bulletin. It is the only source of information which comes from the Department of Agriculture that I know of anywhere, and if the Senator from New Mexico can point out to me why we should not consider this, I should be very happy to have him do so.

Mr. ANDERSON. I certainly can. In connection with the purchase of dried fruits in California 2 years ago, a committee came to Washington and suggested certain things to the Fruit and Vegetable Branch of the Department. Their suggestions were submitted to interested people over the United States for their comment. They were not my suggestions. They were never authorized by me. If someone had risen on the floor of the Senate later, read the suggestions and said, "Those are the words of the Secretary of Agriculture," it would have been grossly unfair to me.

Mr. WILLIAMS. I should like then to raise this question: Did those suggestions go out as an official Department of Agriculture bulletin?

Mr. ANDERSON. They were sent out by the Fruit and Vegetable Branch, because that is the program agency.

Mr. WILLIAMS. I am not reading from the fruit and vegetable branch statement, I am reading from an official bulletin of the Department of Agriculture.

Mr. ANDERSON. The Senator is reading from the Grain Branch statement.

Mr. WILLIAMS. It is the United States Department of Agriculture, the Production and Marketing Administration, Grain Branch.

Mr. ANDERSON. The Grain Branch.

Mr. WILLIAMS. Yes.

Mr. ANDERSON. That is right.

Mr. WILLIAMS. Let me read to the Senator the official title of this bulletin: "The proposed program to provide the Government storage facilities for stockpiling grain—500,000,000 bushels of Government-owned track-side storage facilities needed for the farm stabilization and price-support program," and it is marked "for administrative use only."

Mr. ANDERSON. Yes. All I am trying to suggest to the Senator is this: I am not objecting to his reading it. I shall be very glad to join with the Senator in trying to place it in the RECORD, if that is what he desires. But I think it is improper to suggest that those are the words of the Secretary of Agriculture. People working within the Grain Branch came forward with a proposal. The Secretary, before adopting or passing upon that proposal, said, "Find out what the people over the country think of the proposal." The proposal went out to a selected group. It was found that the committee's recommendation was bad, and the Secretary promptly rejected it.

Now, if I may be permitted to say so, the notice to which the able Senator from Maine has taken objection relates, I am sure, although I was never consulted and never heard of this document until this very hour, to the importance of getting track-side facilities or farm-storage facilities. I do not think that was anything to do with the agricultural program itself. All I am trying to urge the Senator to do when he presents this document is to say "This hypothesis, sent out by the Grain Branch for examination, has this language," not quoting the Secretary of Agriculture.

Mr. WILLIAMS. Mr. President, I am perfectly willing to say that the bulletin was put out by the United States Department of Agriculture, of which the Secretary of Agriculture is head. It outlines the program, which he will be the one to carry out. It outlines the program which he approves to his top administrative assistants. It also outlines a program which he has only denied this afternoon. This is the first knowledge I have ever had that he has repudiated this program in any way. It outlines a program either of the Secretary of Agriculture or of men high up in the Department of Agriculture. Those men are still on the pay roll, and the Secretary of Agriculture has not said he is going to fire the men who issued this bulletin without authorization. Oh, no; everything was all right until Congress found it out, and now he suddenly comes forward and says he has denied it.

Mr. BREWSTER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Maine.

Mr. BREWSTER. Since the Senator from New Mexico has answered a portion of the question, I hope he may be permitted to complete his reply as to whether dumping potatoes is preferable to Secretary Brannan's applying the very program he is now proposing for the entire Agricultural Adjustment Act, by observation of the price differentials.

Mr. WILLIAMS. Mr. President, I should like to answer that by calling the

attention of the Senator from Maine to this statement found on page 12 of the bulletin. I think perhaps the Senator from Maine should not be so concerned with potatoes alone, because the overall long-range program, which has been developed by the Secretary and his top personnel in the Department of Agriculture, outlines a further extension of this procedure. I quote from page 12 of this bulletin:

An effective means of siphoning off into complete disappearance such surplus supplies of grain as cannot be moved at support prices.

I shall read that entire paragraph later. They have here a program under which they propose to "siphon off into complete disappearance such surplus supplies of grain as cannot be moved at support prices." The item of potatoes is only the beginning.

Mr. BREWSTER. That apparently is in line with the current policy. The reason I emphasized potatoes is, potatoes are the only commodity in this country which is under the amended program of the flexible price support, as the result of the action of last year.

Mr. AIKEN. Mr. President, I ask unanimous consent to make a statement at this point, if the Senator from Delaware is willing.

Mr. WILLIAMS. Mr. President, since the question has been raised, I would prefer to continue, and I shall yield as soon as I possibly can to the distinguished Senator from Vermont.

Mr. BREWSTER. I think it would be helpful if we could clear this up as we go along.

Mr. AIKEN. It will not take over a minute.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that I may yield to the Senator from Vermont so that he may reply at this time.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. AIKEN. Mr. President, in reply to the query of the Senator from Maine I want to say that while I do not know what goes on in the mind of the Department of Agriculture, except as to some things which are contradictory to what goes on in my mind, I would say that we certainly do not approve of destroying potatoes. It is only the flexible support price with reference to potatoes which takes effect in the year 1949. The method of disposing of them or of making compensatory payments and letting them find their own level on the market does not go into effect until January 1, 1950. For that reason, the only thing that can be done with them now is virtually to destroy them or give them away for a cent a hundred pounds.

Mr. BREWSTER. Mr. President, may I have an opportunity to reply?

Mr. WILLIAMS. I yield to the Senator from Maine.

Mr. BREWSTER. It is indeed a rare day when I am able to correct the Senator from Vermont on a problem of this character, and, possibly, also the Senator from New Mexico. I hold in my hand article V of the contract with potato dealers which authorizes precisely the action

which Secretary Brannan proposes. I ask unanimous consent that the entire article be inserted in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ART. V. Sales below support prices: When directed or authorized by CCC as provided in article 3 (VI), dealer will offer for sale in commercial outlets, at minimum prices prescribed by CCC which will reflect less than the applicable support prices, any potatoes of designated quantities, qualities, grades, sizes, and varieties, acquired by dealer at applicable support prices. When directed or authorized to offer for sale under this article, dealer may offer for sale stock acquired at higher than applicable support prices, but in such case the liability of CCC relative to any such potatoes shall not be increased thereby. In the event such direction or authorization is issued to dealer by the chairman or acting chairman of the State committee or a CCC contracting officer, there shall be attached thereto a signed or a certified true and correct copy of the corresponding direction or authorization given to such chairman, acting chairman of the State committee, or a CCC contracting officer, by the Director or Acting Director, Fruit and Vegetable Branch, Production and Marketing Administration.

Mr. BREWSTER. I should like to read from that article:

When directed or authorized by CCC as provided in article 3 (VI), dealer—

Meaning the certified dealer—

will offer for sale in commercial outlets, at minimum prices prescribed by CCC which will reflect less than the applicable support prices, any potatoes of designated quantities, qualities, grades, sizes, and varieties acquired by dealer at applicable support prices.

Then it goes on to provide:

When directed or authorized to offer for sale under this article, dealer may offer for sale stock acquired at higher than applicable support prices, but in such case the liability of CCC relative to any such potatoes shall not be increased thereby.

In that event he is reimbursed for the difference between what the potatoes are sold for and what he paid for them.

Mr. AIKEN. Mr. President, I am not familiar with the provision of the contract just read by the Senator from Maine. However, if I recall correctly reference was made to a contract with the dealer which would be different from any arrangement with the producer. I want to point out that the provision which permits the Secretary to make payments to producers in support of prices, as well as supporting prices by loans, purchases, and other means, does not go into effect until January 1, 1950. I do not know under what provision of law the Secretary is operating in entering into a contract of this nature but I am sure it must be a contract or agreement with the dealer.

Mr. BREWSTER. This particular provision has been in effect for more than 6 years. It was operated in the State of Maine in 1943. It was operated last year in the State of Idaho.

I read from article 6:

When dealer sells below the applicable support price in accordance with article 5 and is in compliance with all other provisions of this agreement, CCC will pay him the

difference between support price at time of sale adjusted for marketing services not performed and the sales price.

In other words, there is the precise authority for Secretary Brannan to do today for the current potato crop what he is advocating in legislation in another year. Yet, instead of applying the provision which he is urging on us as proposed legislation, he is preferring to dump the potatoes on the ground this very day. I think it is time for some explanation.

Mr. AIKEN. The Senator from Maine will have to look to the Secretary, not to me, for the explanation.

Mr. LANGER. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. LANGER. Who has the floor?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. LANGER. No question is being asked by any Senator.

Mr. WILLIAMS. Mr. President, I think the answer is found on page 15, where the Department of Agriculture emphasizes the fact that getting its program enacted into legislation is more fundamental than making existing legislation work.

Mr. BREWSTER. It is the application of that very principle which the Secretary of Agriculture is carrying out today. The law is of no consequence as compared with achieving the other things he has in view. Why does he not try the power he already possesses?

Mr. WILLIAMS. The Senator is correct. Continuing to read from page 7, we find more enlightenment on his long-range program:

The suggestion that in the carrying out of price-support operations on grains existing commercial facilities be more extensively utilized would not be practicable.

Mr. MUNDT. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. MUNDT. I should like to say that the Senator from Delaware has rendered a great service, which I am sure will be reassuring to a great many persons, so that the Senator from Vermont can exercise the authorization given him to advise that that report has been repudiated and rejected. We have the direct assurance from the Senator from Vermont, speaking for the Secretary of Agriculture, that those recommendations will not be carried out.

With that background, I should like to ask a question, based on the language of the conference report, reading from the bottom of the first page of the report:

Provided, That the authority contained in this subsection shall not be utilized by the Corporation for the purpose of acquiring real property or any interest therein in order to provide storage facilities for any commodity, unless the Corporation determines that existing privately owned storage facilities for such commodities in the area concerned are not adequate.

In view of the fact that that language is in the conference report, does the Senator from Delaware find anything in the language on the part of the man-

agers of the House or in the debate which takes place by Senators in lieu of a statement by managers on the part of the Senate, anything to repudiate that definite language in the bill?

Mr. WILLIAMS. Yes. I read from page 6, second paragraph:

It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved.

According to that language, the Department of Agriculture can find sufficient excuse to build Government storage facilities in any area, notwithstanding the fact that there may be many more times the required amount of capacity owned by private industry.

Mr. MUNDT. That is a possible interpretation which the Senator has placed upon it. But, in view of the statement made by the managers on the part of the House, the statement made by the Senator from New Mexico, formerly Secretary of Agriculture, the statement made by the Senator from Vermont, and the statement made by the Senator from Oklahoma, the chairman of the Committee on Agriculture and Forestry, all of whom definitely stated that that is not the intention, does not the Senator think that that is adequate?

Mr. WILLIAMS. No, sir. I do not question the sincerity of any of those gentlemen. But if that is the intention, let us write it into the law. I do not trust the Secretary of Agriculture to carry out the intentions unless we write them into the law. I pointed out at the time the bill was discussed that the intent of the law had not been carried out previously by the present Secretary of Agriculture. I, for one, do not say that he will again violate our trust, but I do not trust him in that respect.

Mr. MUNDT. Is it not also written into the law?

Mr. WILLIAMS. It is written into the present law, but not the conference report, under consideration.

Mr. MUNDT. But there is a difference between the conference report and the law. The language is written specifically into the law. There is some ambiguity of the language of the conference report.

Mr. WILLIAMS. If we were passing this power back to the Board of Directors, I would not be so concerned. But when we consider that the proposal is to turn the control of this Corporation back to one man, who will have the sole power of operation, the sole power to borrow four and three-quarter billion dollars to carry out any program he desires, I do say that we must know what is in the man's mind, and the only way I know what is in the Secretary's mind, or what is in the minds of the officials of the Department of Agriculture, is to read what they themselves say is their program, and I continue to read from this statement. I will know in a few minutes the date when some of the so-called confidential bulletins were mailed out, that is, the most recent dates. I hope to have the information before we get through to-

day as to when they really were suspended from their consideration.

I wish to read now from page 12. We find here that they have a program for disposing of their surplus commodities.

Mr. LANGER. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. LANGER. I do not agree at all with the viewpoint taken by the Senator from Delaware. Let us go to a town in South Dakota, for instance, the town from which my distinguished friend, the junior Senator from South Dakota comes, and see what might happen in Mound City, S. Dak. Let us assume there are two elevator companies there and they are in cahoots and are robbing the farmers in every direction. In view of that condition, why should not the Secretary of Agriculture have the power to go there and clean up that situation by leasing an elevator, or, if he cannot lease one, by building one? Why should not the common people be protected?

Mr. WILLIAMS. The Senator from North Dakota is pointing out a situation where there are two elevator companies in a town, as he says, in cahoots, robbing the farmers, and he wants to know why the farmers should not be protected.

Mr. LANGER. That is correct.

Mr. WILLIAMS. The best answer to that could be obtained from the Department of Justice. We already have laws which specifically prohibit any two individuals getting together, conspiring, to rig prices. If such action is established to the satisfaction of the Secretary of Agriculture, he can go into court and try both those men and break up that combine. We already have laws, and if they are not being kept, it is a criticism of the Department of Justice, not of the Secretary of Agriculture.

Mr. LANGER. I should like to have the Senator give us just one instance, since the Sherman Antitrust Act was adopted way back in 1891, of anyone being sent to jail.

Mr. WILLIAMS. I cannot give the Senator any case, but the laws were passed, and if they are not being enforced, it is not my fault; it is the fault of the Department of Justice; and if the Department of Justice will not carry out the law, then let us get a new Attorney General. Let us not say that the anti-trust law is being violated, and on that assumption we are going to build plants all over the country in competition with private industry, not only the grain industry, but steel mills, and automobile factories, merely because groups of manufacturers are accused of conspiring together in violation of the law, and the law is not enforced.

Mr. LANGER. The answer is very simple. We hear talk about communism coming into the country. It is coming in because, as a matter of fact, the anti-trust law has not been enforced in this country, whether we had a Democratic Attorney General or a Republican Attorney General. I wish to ask the distinguished Senator whether he can give us the name of a single person, aside from Eugene Debs, who has been con-

victed and sent to jail under the Sherman antitrust law.

Mr. WILLIAMS. Mr. President, I would say to the Senator from North Dakota that perhaps it would be better if he named the ones he thinks should be in jail.

Mr. LANGER. I will tell the Senator who should be in jail. For example—

Mr. WILLIAMS. I should like to say to the Senator from North Dakota that he should frame his statement in the form of a question to make sure I do not lose the floor.

Mr. LANGER. I shall do so. If a GI comes who is hungry and has a family to support, steals a loaf of bread, he goes to jail, but if three or four big corporations get together and raise the price of bread and milk to widows and orphans, they do not go to jail, do they?

Mr. WILLIAMS. It is always with joy that I hear a good orphan speech from the Senator from North Dakota. It is very informative, but it does not have anything to do with whether the Senate should confirm the directors of the Commodity Credit Corporation. I quite agree with him that justice perhaps has miscarried, and I would read from a report of the Hoover Commission in which they pointed out that very thing. They said that, if in the Government you want to make a mistake, make one big enough and you will get away with it; which is a very damaging statement, in my opinion.

Mr. LANGER. To make it very simple, suppose there is one elevator in the town of Mound City, S. Dak., the home of our distinguished colleague, and that elevator is serving the farmers around there and robbing them. What objection does the Senator from Delaware have to the Secretary of Agriculture protecting those farmers against that one elevator, where there is no evidence of any combination or trust, and there could not be, because there is only one elevator there?

Mr. WILLIAMS. In order that I might answer that intelligently, will the Senator point out some towns where that is being done?

Mr. LANGER. I have no objection. I might say that in one area in my State 11 trucks were hauling wheat from 1 field to 11 different elevators. I found that where there was only one elevator in the town the farmers did not get as good a grade as where there was competition.

Mr. WILLIAMS. I should like to say to the Senator from North Dakota that I still do not see what that has to do with whether the Senate confirms the board of directors, or why the Commodity Credit Corporation, operating under an independent board of directors, confirmed by the Senate, could not carry out the law just as well as can the Secretary of Agriculture by having that exclusive power of appointment given to him. I do not get the connection between the two situations.

Mr. LANGER. I understood the Senator from Delaware to be objecting to the Secretary of Agriculture, if in his judgment there was inadequate storage space, having power to provide sufficient storage. That is what I understand the Senator has been reading from the bulletin.

Mr. WILLIAMS. What I am doing here is not necessarily raising objections. I am merely outlining the program of the Secretary of Agriculture in order that the Senator from North Dakota and all the other Members of the Senate may know it. If the Senator disagrees with the report and the language I am reading, call the Secretary of Agriculture. He printed it; I did not print it.

Mr. LANGER. I want the distinguished Senator from Delaware to know that I agree with that report. I think the Secretary of Agriculture is doing something which should have been done 50 years ago in this country. I am for that system of Government storage. I want it wherever there are not adequate storage facilities to serve the common people of this country.

Mr. WILLIAMS. The Senator from North Dakota has a perfect right to agree with the report, but I think he will agree with me that he can agree with the report more intelligently after I read it than before I read it. So I am going to try to read the report, and then he will know what is contemplated by the Department of Agriculture.

Mr. MUNDT. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from South Dakota.

Mr. MUNDT. If my distinguished colleague from North Dakota is going to continue to talk about robbery, I merely wish to ask that he talk about elevators in North Dakota, where robbery may be practiced, instead of elevators in South Dakota, where it is the exception.

Mr. LANGER. Will the Senator yield for another question?

Mr. WILLIAMS. For a question.

Mr. LANGER. I want Senators to know that in North Dakota we knew how to protect our farmers by building a State-owned elevator with millions and millions of bushels capacity. May I ask, as a question, whether that is not one way of protecting people, which is the way we follow in my State?

Mr. WILLIAMS. I am one of those who do not want to agree yet that the private-enterprise system of this country has failed. I point out to the Senator from North Dakota that it was under this system of private enterprise that our country was developed into the greatest Nation on earth, and under this system our people enjoy the highest standard of living.

Mr. KEM. Mr. President, will the Senator from Delaware yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. KEM. I should like to ask the Senator from Delaware if it is not general knowledge that the adventure in the State of North Dakota in the grain and milling business has cost the people of North Dakota many millions of dollars?

Mr. WILLIAMS. I could not answer that question, but I will say that the Senator from North Dakota, from the State where they have State-operated grain-storage facilities, is now complaining of what is going on in his State, while the Senator from South Dakota, where apparently they are operating under the private-enterprise system, says that cases of exploitation are the excep-

tion. I should say perhaps that is another indication that the private-enterprise system in this country is working well.

Mr. LANGER. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. LANGER. I want to put what I am about to say in the form of a question. Does not the Senator from Delaware know that in the State of North Dakota the Bank of North Dakota, which has been referred to by my distinguished colleague from Missouri [Mr. KEM], has been a glorious success since the 19th day of August 1919, when it opened for business, and that there has never been a profit of less than one-half million dollars a year to the taxpayers of North Dakota from that bank?

Does not the Senator further know that through our storage capacities of mills and elevators located at Grand Forks, N. Dak., which cost the people of our State a trifle more than \$3,000,000 to build, in 1 year we saved the people of North Dakota more than \$12,000,000?

Does not the Senator from Delaware further know, referring now to the statement made by my distinguished colleague, the Senator from Missouri, that in the matter of State-owned hail insurance, that State insurance has saved the farmers of our State more than \$100,000,000?

Does not the Senator from Delaware further know, referring again to the statement made by my distinguished colleague from Missouri, that in the matter of the State-owned fire and tornado insurance, that is, public buildings being insured against fire and against tornado, that State insurance has saved the taxpayers more than \$4,000,000?

Does not the Senator from Delaware know that instead of being a failure, instead of people losing money, each and every single year in which those State industries have been in operation they have been a glorious success?

Mr. WILLIAMS. No, Mr. President, I have no way of knowing that. I do not dispute it. If it is true, I would suggest that the Senator from North Dakota place the information in the RECORD. I am sure it would be of value to the Senate, and that Senators would be glad to have it available to them. I am not questioning the accuracy of the Senator's statement, but assuming that it is true, I am surprised over the many requests we receive from the State of North Dakota for Federal assistance.

I continue to read what the Department of Agriculture plans to do under the surplus disposal programs:

In the event that stock held by the Commodity Credit Corporation at the end of any crop year exceeds these limits as defined by law, mandatory surplus disposal programs should be implemented that move these excess stocks into consumption. * * *

Expanded industrial utilization, gives promise of providing increased market outlets which are not subject to the limitations imposed upon outlets for food. The potential demand for grain in nonfood industrial uses is sufficiently elastic relative to price to be relied upon as an effective means of siphoning off into complete disappearance such surplus supplies of grain as cannot be moved at support prices and which are in excess of desirable reserve stock.

In other words, they are planning to siphon all these surplus grains which are accumulated in the North Dakota elevators by the State of North Dakota, and pay them a profit on it, and siphon those grains into complete disappearance at the expense of the taxpayers.

Continuing reading from this same bulletin, I quote:

It is, therefore, recommended, as a necessary concomitant of price support and supply stabilization programs, that burdensome surpluses of grains be made available for industrial uses, principally industrial alcohol, at less than support prices.

Reading further, we find the following:

One of the fundamental objectives of the Commodity Credit Corporation, as stated in the declared purposes of the Commodity Credit Corporation Charter Act, is to assist in the maintenance of balanced and adequate supplies of agricultural commodities and to facilitate their orderly distribution. * * *

The act further states that one of the broader purposes of the legislation is to assist consumers to obtain an adequate and steady supply of such commodities at fair prices. It is evident that it was the intent of legislation to stabilize supplies as well as prices against fluctuation in production.

In other words, their ultimate goal is that they are going to stabilize all supplies, prices and production.

They conclude the statement, as I said before, with instructions to their departmental heads, as follows:

The need to expand these facilities to a recommended capacity of at least 500,000,000 bushels is more fundamental than the problem of making existing legislation work.

I might say, Mr. President, that I have just been advised that this so-called confidential bulletin which the Department of Agriculture said was never seriously intended to be put out, was as a matter of fact being used as late as April 20 of this year by the departmental heads.

Mr. President, I think we should give serious consideration to this matter, before we ever consider turning over the control of this corporation to the Secretary of Agriculture, or for that matter to any other one person. I fully recognize the difficulty in having any conference report rejected. However, one of the provisions, as contained in the conference report, as I said, is so far different from the bill as passed by the Senate, and its acceptance will have such far-reaching effect on the agricultural interests of the country, that I feel we have no alternative other than to express opposition to the conference report.

Under the conference report, as I said before, we are turning over completely to the Secretary of Agriculture exclusive control over this \$5,000,000,000 Government Corporation. The Corporation is capitalized at \$100,000,000, and in addition the Secretary of Agriculture will have the power to borrow an additional \$4,750,000,000, pledging the credit of the United States, and he can do that without ever coming back to Congress for any additional authority.

We are told by the supporters of the bill that the management of the Corporation will be vested in a board of direc-

tors, but that simply is not true. In section 9 of the conference report we find this:

The Board shall consist of six members (in addition to the Secretary), who shall be appointed by, and hold office at the pleasure of, the Secretary.

It is this provision which states that the board of directors shall be appointed by and serve at the pleasure of the Secretary of Agriculture, to which I most strenuously object.

Under this provision the Secretary of Agriculture can at a moment's notice remove any member of the Board of Directors who is bold enough to express disagreement with any of the policies of the Department. It is unquestionably one-man control over a \$5,000,000,000 corporation, which, by the way, represents more power than has ever been granted to any President of the United States, and I might say it is more power than has ever been asked for by any President of the United States. The mere fact that a member of the President's Cabinet is bold enough to ask for this power is in itself sufficient reason for us to reject it.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Does the Senator from Delaware mean that the members of the Board of Directors of the Commodity Credit Corporation will hold office at the will of the Secretary of Agriculture?

Mr. WILLIAMS. The conference report plainly states that the Board of Directors shall be appointed by and hold office at the pleasure of the Secretary of Agriculture.

Mr. KEM. He could appoint them 1 day and remove them the next?

Mr. WILLIAMS. He may do that, and it almost has been done. I should like to point out to the Senator from Missouri the fact that in the last 7 years there have been 32 different members of the Board of Directors. In a 2-year period alone there were four different presidents of the Corporation. We have had six presidents of the Corporation since 1940. I wrote this statement 2 days ago, and at that time I understood that there had been only five presidents of the Corporation since 1940. Since then I have found there was another president discovered, who served for 8 months. They change officers so fast they do not know who are on the Board of Directors half the time.

Mr. KEM. That was under a regime under the previous law when the Directors held at the pleasure of the Secretary?

Mr. WILLIAMS. That is correct.

Mr. KEM. Subsequently that law was changed, and the appointments were made subject to confirmation by the Senate?

Mr. WILLIAMS. In 1948, by the Eightieth Congress, when we passed the Commodity Credit Corporation Charter Act. I may say that when we passed that act, making them subject to confirmation, we provided for exactly the same method by which all Government corporations are handled as of today. It is the same procedure which is recom-

mended by the Hoover Commission, whose suggestions or recommendations the Senate so enthusiastically adopted a few days ago, but now we are starting in tearing down one agency at a time.

Mr. KEM. The Senate is asked again to surrender that authority?

Mr. WILLIAMS. That is correct.

Mr. President, to emphasize the absurdity of this request, I should like to point out that if the Senate adopts the conference report the Board of Directors not only would lack sufficient authority to administer the affairs of the Corporation, but would actually lack enough authority to select or hire their own private secretaries, without first consulting with or obtaining the permission of the Secretary of Agriculture. The sponsors of the bill boast of the fact that they have written in this report a provision under which the Advisory Board, consisting of five members, who I understand are expected to meet once every 90 days, must be appointed by the President and confirmed by the Senate. That is a complete farce. It is perfectly ridiculous to suggest that the five-man Advisory Board, who have no power whatsoever except to give advice to a figurehead Board of Directors who, in turn, have no power except to carry out the suggestions of the Secretary of Agriculture, should be confirmed by the Senate. The Board of Directors clearly have no power to carry out any such advice unless the Secretary of Agriculture approves. It would be comparable to the procedure of having the Senate confirm the administrative assistants of members of the Cabinet without confirming the members of the Cabinet themselves.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Missouri.

Mr. KEM. Does the Senator from Delaware know any reason why the time of the Senate should be taken up in confirmation of members of the Advisory Board when the Senate is denied the privilege of confirming the members of the Board of Directors themselves?

Mr. WILLIAMS. I think the suggestion that we confirm members of the Advisory Board is a complete farce. It is useless. If we are going to give the Secretary of Agriculture this power, let us do so openly. Let us not go through the farce of confirming an Advisory Board under the assumption that we are afraid that someone will make friends with the Secretary and give him the wrong advice, so we want to be sure with whom he talks.

Mr. KEM. Is it the idea that the Senate could not be trusted to confirm directors, but may be trusted to confirm members of an Advisory Board? Is that the theory of the conference report?

Mr. WILLIAMS. I do not know just what the theory is; but in order to point out just how little power is conferred upon the Directors—or the President of the Corporation for that matter—under the system under which the Corporation operated prior to the passage of 1948 law, I point out to Members of the Senate some testimony which was given be-

fore the House Appropriations Committee in 1945. This testimony was given by Hon. Frank Hancock, at that time President of the Commodity Credit Corporation. The testimony was given on February 27, 1945.

Mr. ANDERSON. What date was that?

Mr. WILLIAMS. 1945.

Mr. ANDERSON. What time in 1945?

Mr. WILLIAMS. February 27. Representative Tarver was questioning Mr. Hancock, the President of the Commodity Credit Corporation, relative to some of the personnel who were working in that organization, and who apparently had criminal records. He was expressing his opposition to the fact that they remained on the pay roll. He had just pointed out the name of a man to whom he was objecting. I quote from that testimony:

Mr. TARVER. This man Hatch is not an employee of the Commodity Credit Corporation, but of the War Food Administration?

Mr. HANCOCK. Judge, that is difficult to answer. Please do not misunderstand me, but I do not know exactly who are the employees of the Commodity Credit Corporation.

Mr. ANDERSON. Mr. President, will the Senator yield at that point?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. At that time, in 1945, there was a completely different organization of the Commodity Credit Corporation from that which existed after August 1945 and from that which existed up until 1948.

Mr. WILLIAMS. That is correct; and I was about to point it out. I am reading from testimony which was given on February 27, 1945, by the president of the Corporation.

Mr. ANDERSON. The Senator can go back further, to the time when the Commodity Credit Corporation was not even in the Department of Agriculture.

Mr. WILLIAMS. Just a minute. Let me finish reading the statement, and then perhaps the Senator from New Mexico will express his opinion. Representative Tarver asked this question regarding a man with a criminal record who was working in the Department:

Mr. TARVER. Does it meet with your approval that a man with that kind of a record should be employed by the Commodity Credit Corporation in a position of responsibility?

Mr. HANCOCK. It certainly does not.

Mr. TARVER. Is there anything you can do about it?

Bear in mind that Representative Tarver was asking the president of the Corporation, who said it did not meet with his approval that this man with a criminal record worked in the Department, whether he could do anything about it.

Mr. TARVER. Is there anything you can do about it?

Mr. HANCOCK. It depends entirely upon my authority. I do want to say here, with all due respect, that my duties and responsibilities as yet have not been clearly defined, and there is no man in the Corporation more insistent upon an early clarification of those responsibilities than the witness before you.

On February 27, 1945, at the time he was President of the Corporation and appearing before the Appropriations Committee of the House, he did not know whether he had the power to fire a man who, he said at that time, had no right to be on the pay roll; but he did not know whether he had authority to fire him.

The record shows that he did not fire him until May 1, 1945, when the man was removed at his own request. To me that is a perfectly ridiculous situation. Let us be fair about it. If we have not five men who are capable of handling the affairs of the corporation, let us get them off the Board and get five men who are capable.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. That was a man who was supplied to the War Food Administration by the Civil Service Commission. He was under Civil Service. The Senator from Delaware is well aware of the fact that a man who is under Civil Service cannot be fired. Charges must be preferred against him. That is why Mr. Hancock answered as he did.

Mr. WILLIAMS. That is not the reason he gives in his testimony.

Mr. ANDERSON. What reason does he give in his testimony?

Mr. WILLIAMS. The reason he gave in his testimony was that he had not had an interpretation of his authority.

I should like to point out that I have checked into the pedigree of this individual. I find that three times during this period charges were made against him upon which he could have been fired. This official was working with the Commodity Credit Corporation during the period when it turned up with \$366,000,000 for which it could not account. This official was working in one of the departments.

Mr. ANDERSON. Wait a minute. The Senator does not want to make the statement on the floor of the Senate that there was a shortage.

Mr. WILLIAMS. I did not say that there was a shortage.

Mr. ANDERSON. The Senator said that they could not find the money.

Mr. WILLIAMS. I said that they have not found it.

Mr. ANDERSON. They have found it.

Mr. WILLIAMS. No.

Mr. ANDERSON. The Senator should not make that statement. With respect to the entire \$366,000,000, the Senator knows that it is a question of war food purchases for which the Army was not able to make allocations. The Army did not know whether it should be charged to lend-lease or to various funds or to the Army or Navy. That is not the fault of the Department of Agriculture.

Mr. WILLIAMS. That is the third time that statement, or a similar statement, has been made on the Senate floor. I do not mean to say that the Senator from New Mexico may not believe it. I had hoped to keep that part of the discussion out of this debate; but since it has been brought in once again, I shall go into the question of the \$366,000,000.

I think perhaps I can point out some things which the Senator from New Mexico does not know.

Mr. ANDERSON. I am sorry if I dragged in something that I should not have dragged in. I believe that we are to have an investigation of the Commodity Credit Corporation.

Mr. WILLIAMS. A Senate committee has been designated to conduct an investigation. On various occasions I have expressed the hope that we could keep the discussion of this question off the floor of the Senate; but I will not permit to go unchallenged statements in the RECORD time and again that there is nothing wrong so far as the \$366,000,000 is concerned, for which there is no accounting.

The explanation of the Senator from New Mexico is not correct. He may think it is, but it is not correct. Conceivably, when the investigation is over we might find where it has all gone; but by stretching our imagination the other way, conceivably we might find that it represents a great shortage. It depends upon how one wishes to stretch his imagination. I do say that there are plenty of irregularities in the operations of the Commodity Credit Corporation. Since the question has been brought up, and since Mr. Brannan saw fit to insert in the RECORD immediately prior to the passage of S. 900 a letter which was a complete contradiction of what I had previously said, I shall later go into the discussion of that question and clarify the RECORD.

At this particular time, with further reference to the individual whom Mr. Hancock said he could not fire, I point out that charges had been placed against that man, who had a prior criminal record. Charges were placed against him in one instance for accepting a bribe. He was investigated by the FBI. We may assume that those charges were unfounded since I have no record now showing otherwise, but it is interesting to note that he received an increase in salary of approximately \$900 within 3 months after the charges were filed.

Charges were placed against this particular individual that he was padding his expense accounts. He was investigated by the FBI. He pleaded guilty. He could have been fired. He was allowed to make a little repayment to the Government. Then he was given another promotion of \$900, and placed in a more responsible position than he had ever held before.

His background, prior to being hired by the Department of Agriculture, shows that he had been convicted in the State of Massachusetts for embezzlement from one of the banks to the extent of \$133,000. He was convicted and served time. He was working in the Department of Agriculture, and received one promotion after another. I have his entire record before me. I insist he could have been fired, under the civil-service rules.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. AIKEN. Is that man now in the Department?

Mr. WILLIAMS. No; he left when the investigation by the House committee began. There seems to be quite a contradiction—

Mr. AIKEN. Can the Senator tell us about when that occurred?

Mr. WILLIAMS. I have the information here in the file: It occurred on May 1, 1945, although on February 23, 1945, Mr. Hancock, the President of the Commodity Credit Corporation, testified that he could not then fire the man. He left on May 1, 1945. His civil-service record gives him a clean slate.

Yet, if we check further on the case, we find that charges were placed against him. He started with a salary of \$2,600, and then it was increased to \$2,800, and then gradually increased to \$4,600 and then to \$6,500. He resigned on May 1, 1945, during the time when the charges which I have outlined were placed against him. There seems to be quite a contradiction as to whether he left under fire or not.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Was that man an employee of the Commodity Credit Corporation?

Mr. WILLIAMS. Yes, at one period of time.

Mr. KEM. And the Commodity Credit Corporation is the organization we are dealing with now; is it not?

Mr. WILLIAMS. Yes.

Mr. KEM. And it is as to the Commodity Credit Corporation that we are asked to refrain from doing even so much as requiring Senate confirmation of its Board of Directors?

Mr. WILLIAMS. Yes; we are asked to refrain from requiring Senate confirmation of its Board of Directors.

As I understand the civil service regulations, anyone who pleads guilty to padding his expense account surely could be subject to prompt dismissal.

Mr. ANDERSON. Mr. President, if we were to change the charter of the Commodity Credit Corporation in the way the Senator from Delaware desires to have it changed, so as to provide for a Board of Directors to be confirmed by the Senate, would the Senator from Delaware still contend that the Board of Directors of the Corporation could fire a man who had civil-service status?

Mr. WILLIAMS. Absolutely, if that man were found guilty of padding his expense account.

Mr. ANDERSON. Does not the Senator from Delaware think he would have to be referred to the Civil Service Commission, for investigation?

Mr. WILLIAMS. Of course; but the records of the Civil Service Commission as to the man I have been discussing state that he resigned in good status, and thus is eligible for reinstatement at any time.

Why should that man have such a clear or clean record—a man formerly convicted of embezzlement, and who is guilty of doing such things during his Government service? As the Senator from North Dakota has pointed out, if a GI steals \$3 or \$4, he goes to jail. However, this man received a promotion and

a salary increase of \$900 after the investigation was conducted and after he had pled guilty to padding his expense account, and had returned a few dollars to the Treasury.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Does the Senator from Delaware regard an incident of that kind as a very proper subject of inquiry by an outside director, appointed by the President and confirmed by the Senate?

Mr. WILLIAMS. I think it is unfair to the board of directors of the Commodity Credit Corporation, to give them no power in that respect.

Mr. KEM. Is not that exactly a case in which an outside director, appointed by the President and confirmed by the Senate, is required; and in such a case is it not necessary and proper for such an outside director to interest himself in the matter?

Mr. WILLIAMS. Yes.

As an indication of how fast the personnel in that group were changed, let me point out that on January 1, 1945, Frank Hancock was president of the Commodity Credit Corporation. He resigned on August 20, 1945, or was removed—we do not know just how the change was made. At any rate, J. B. Hutson replaced him on August 20, 1945.

On August 7, 1946, B. H. Shields took his place.

On February 9, 1947, J. B. Gilmer took his place.

On April 13, 1948, Ralph S. Trigg, who apparently has now been appointed by the President, took his place. Of course, I assume that Mr. Trigg's appointment would be confirmed by the Senate if the President submitted his name to the Senate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I merely wish to state that Mr. Hancock left by resignation, having continued in that position for several months after he desired to leave. He was asked to continue because changes were being made in that organization. Mr. Hancock left, to join the United Nations Organization at a salary double the salary he received while with the Commodity Credit Corporation.

Mr. Shields left the Commodity Credit Corporation to join the United States Beet Sugar Association, at a salary four times that which he received while serving with the Commodity Credit Corporation.

Mr. Gilmer left the Commodity Credit Corporation to go into private employment at a salary several times that which he received while serving with the Commodity Credit Corporation.

So perhaps the remedy for such rapid changes in personnel, and the step to take because of the desire to keep such persons in the service of the Corporation on a permanent basis, is to pay them sufficient money to justify their carrying the type of responsibility which they are required to carry.

Mr. WILLIAMS. Perhaps so; but I have talked to several of those men, and they have said they would never agree

to serve on a Board of Directors when they were held responsible to a certain extent for what was done, but were given no authority to carry on the program.

I say it is ridiculous to ask a man to administer the affairs of a \$5,000,000,000 corporation, but to provide that he shall serve in that position without any authority.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. If the House version of this measure is enacted, the Directors will be nothing more than advisory; will they?

Mr. WILLIAMS. Yes; they will only have the powers of an advisory board.

Mr. FERGUSON. And under the act, their responsibilities would be only advisory; is that correct?

Mr. WILLIAMS. Yes.

Mr. FERGUSON. Of course, a man who serves in only an advisory capacity does not accept the real responsibility which has to be accepted by men who receive four times as much salary because they actually perform certain services and accept certain responsibilities—for instance, such men as the ones who were mentioned a few moments ago. Is that correct?

Mr. WILLIAMS. That is correct.

Mr. MUNDT. Mr. President, it seems to me that it is an exceedingly strange way to create a board of directors—to permit the Secretary of Agriculture to select them to serve at his pleasure. I wonder what line of unique reasoning is used in the defense of that measure by its supporters.

Mr. WILLIAMS. The Senator from South Dakota has heard the arguments which have been made on this floor. Frankly, I do not think any good argument has been offered as to why the board of directors should be selected by the Secretary of Agriculture and should serve at his pleasure only. I have not heard anyone point out how the Commodity Credit Corporation has been hindered in any manner during 12 months during which it has operated under the necessity of having Senate confirmation—

Mr. ANDERSON. Mr. President, if the Senator will yield for a question, let me point out that he just said "12 years." They have been working less than 12 months under the requirement of Senate confirmation. Before that, they always were without the requirement of Senate confirmation.

Mr. WILLIAMS. I certainly knew that it was only last June that the law requiring Senate confirmation was passed. I meant to say 12 months. I have already pointed out or referred to the seven presidents of the Corporation who served during the period when they were appointed at random by the Secretary of Agriculture.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. The Senator has followed the debate very closely. Let me inquire whether any argument has been advanced in regard to the anomalous suggestion that the Senate should be au-

thorized to confirm the members of the advisory board, but should be denied any right to pass on the members of the board of directors.

Mr. WILLIAMS. There is no argument at all for it, and the only reason in the world why they are making the Advisory Board, which has no power, subject to confirmation by the Senate—which is nothing but a farce—is, I think, that since the Senate was insisting on confirmation, so they said, "You can confirm five advisers, who will meet every 90 days to give the Secretary a little advice." It is the most ridiculous suggestion I have ever heard of since I have been in the Senate. I say, either come out above-board and say we are going to turn the Corporation over to the Secretary of Agriculture, giving him all the responsibility, or else confirm the board of directors, and give them responsibility for it.

Mr. President, I had hoped to get through with this discussion sooner, but since the amount of the \$366,000,000 has been brought up again today and since the Secretary of Agriculture, Mr. Brannan, saw fit to have inserted in the RECORD by the Senator from Oklahoma a letter denying any responsibility, I think in fairness to the RECORD and to the Senate we have got to discuss this question further at this time.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. I should like to have a little light on that. I was going to ask the Senator, Does he know whether the amount is \$366,000,000 or \$360,000,000?

Mr. WILLIAMS. To be exact, it is \$366,643,129, for which there has been no accounting. As the Senator from New Mexico has pointed out, I am not saying it is short; I merely say that it has not been accounted for. I say that the taxpayers are entitled to an explanation. I think the Senator from New Mexico will agree with me that we should find out where the money went.

Mr. FERGUSON. Mr. President, will the Senator yield further?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. I understand the Senator says he has no personal knowledge that the money is missing; all the Senator knows is that it has not been accounted for. Will the Senator state for what length of time it has not been accounted for? Then, if he will, I should like the Senator to give us some enlightenment as to what has been done by the Commodity Credit Corporation to account for the money.

Mr. WILLIAMS. First, I should like to clarify one part of the Senator's question, in which he suggested that I had no knowledge of anything wrong. At this time I do not say that I do or do not. We shall leave that part out. But now, let me say this—

Mr. FERGUSON. Mr. President, if the Senator will yield, I ask if he has knowledge that there is something wrong, and can he state it on the floor of the Senate? I think Senators are entitled to an answer to that question.

Mr. WILLIAMS. I have some information that I do not care to discuss on the

floor of the Senate at this time. I prefer to work with the investigating committee at this time.

Mr. FERGUSON. Is that because the Senator wants to make further checks and to ascertain further facts?

Mr. WILLIAMS. Yes. I think the committee will get further information.

Mr. FERGUSON. That is the point.

Mr. WILLIAMS. I state for the RECORD that there was reason for my having come on the floor of the Senate at the very beginning, requesting the books of the Corporation. I further say without any hesitation that in my opinion there are irregularities in the records of the Corporation covering the period from 1943 to 1945.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. FERGUSON. The Senator from Michigan had reason to believe that the Senator felt there was something wrong in respect to the situation, of which at least the Senate should be advised, before the Senator ever came upon the floor to state the facts to the Senate. I think the Senator has competently displayed to the Senate that there is a reason for having an independent Board of Directors who can act with authority and independence, over and above the Secretary of Agriculture, so that if something does happen, such as the thing the Senator from Delaware is pointing out, there will be independence in seeking out the facts for the benefit of the public and for the purpose of prosecution, if a wrong has been committed.

Mr. WILLIAMS. That is correct. But I should like to say, in all fairness to the Corporation, that while I, for one, severely criticized it for its operations in the period from 1943 to 1945, and that there are examples of operations which are inexcusable, notwithstanding the fact that we were in the midst of war, I may say, not because the Senator from New Mexico is on the floor, that the General Accounting Office advised me that, particularly following the Senator's assumption of the duties of Secretary of Agriculture, there was a complete overhauling of the Department, and substantial steps have been made to correct the situation which I am criticizing. Whatever I say regarding the Corporation, I wish it understood that it in no way casts any reflection upon the Senator from New Mexico, the former Secretary of Agriculture.

I say that, and at the same time I want to emphasize that it is inexcusable that the books had not been delivered to the Senate earlier and we were not made aware of the fact that the books were in such a deplorable state for the years 1943 and 1945. I also point out the fact that even today we, as Members of the Senate, do not have access to, and have never received, the books audited by the General Accounting Office for the years 1946, 1947, nor 1948. Yet the law plainly states that the audit of those books should be submitted to the Congress as of January 15 following the end of each fiscal year. The reason they have not been submitted to us is, as the General Accounting Office says, that their records are in such a deplorable

state of affairs that they have been utterly unable to reconcile the accounts with any degree of accuracy. Even during some of these later years, they are going to have to make allowances. Nevertheless, the GAO says that during the past 12 months the Corporation's affairs have been conducted in the best manner in which they have ever been conducted in the history of its operation; which is attributed to the fact that under the present law the directors are subject to Senate confirmation and have adequate authority to operate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from New Mexico.

Mr. ANDERSON. I appreciate very much what the Senator from Delaware has said about an attempt to improve the conditions after June 30, 1945. But I may say to him that I am quite willing there should be an investigation of the \$366,000,000. I tried very hard to get the audit completed on that amount of money. It was not the wish of the Commodity Credit Corporation that there should not be a final audit. It was the recommendation of the General Accounting Office that it would cost a quarter of a million dollars, and that no useful purpose would be served, because it would involve bookkeeping between departments of the Federal Government. It was on that basis that the audit was not made. It would satisfy me, if they wanted to go ahead, to have the audit completed.

Mr. WILLIAMS. The recommendations of the General Accounting Office had reference to transactions between the different departments of the Government, and to that extent I agree with them. But I am speaking of the irregular transactions which took place with private traders and private operators. The Senator from New Mexico, I think, will not dispute the fact that, regarding the period in question, there is a great deal of evidence that the Corporation sold surplus agricultural commodities to different buyers. They sold it to them, and if the buyer came back and said, "I received but half the amount," they would accept the man's word for it, for the sole reason that they knew they had no records at all to prove whether he was right or wrong.

I do not think it will be disputed that sales were made in an inexcusably loose manner.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from Michigan.

Mr. FERGUSON. Do I correctly understand that the \$366,000,000 was not solely a matter of dealings between different branches of the Government, but that a part of it was involved in dealings with private individuals and corporations?

Mr. WILLIAMS. Positively, that is correct. It was not alone a matter of dealings with the agencies.

Mr. ANDERSON rose.

Mr. WILLIAMS. I see the Senator from New Mexico rises, apparently indicating that he wants to speak. If the Senator wishes to correct me, now is the

time. The \$366,000,000 did not represent interdepartmental transactions only.

Mr. FERGUSON. Will the Senator tell the Senate how much of it did?

Mr. WILLIAMS. I cannot tell. The General Accounting Office is doing its best to make an estimate. To my knowledge, they have not as yet made a definite estimate.

Mr. FERGUSON. How long have they been endeavoring to fathom the situation?

Mr. WILLIAMS. Four years. On the surface my first impression was to criticize severely the General Accounting Office for not reporting sooner, but I want to point out to the Senator from Michigan that I am making quite a study, not only of this Corporation, but of all the other corporations. This is not the only corporation which is in a deplorable state of affairs in regard to bookkeeping.

Mr. FERGUSON. I am familiar with that.

Mr. WILLIAMS. The General Accounting Office was asked by Congress to go in and audit the Corporation, sometime at the end of 1945. I think the Senator from North Dakota, the Senator from Nebraska, and the Senator from Virginia were cosponsors of the bill, if I remember correctly.

Mr. BUTLER. The act was signed in early December 1945.

Mr. WILLIAMS. The result of that act was that the General Accounting Office was called upon to audit all Government corporations and submit a report to the Congress. They found the corporations' records were in such a deplorable state of affairs that they have never been able to bring them up to date. There are several other corporations which I intend later to discuss which involve vast amounts of money for which no accounting can be made.

Even though assuming we conduct the investigation which the Senate has authorized, and find there is nothing wrong, I think we owe it to the taxpayers to clear up the situation and to say, flatly, that there is or is not anything wrong in connection with the \$366,000,000. I insist on such an investigation so that the taxpayers would know the facts.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I am just as anxious as is the Senator from Delaware that such an investigation be made. I was not satisfied when I was told that these were only transactions between departments. I do not think it has very much to do with the way the Commodity Credit Corporation has been operated to the present time. I hope the Senator's investigation reveals the facts. It is of no immediate concern to me, because it reflects a period prior to the time I became Secretary of Agriculture.

Mr. WILLIAMS. It is not necessarily my investigation. The resolution has been referred to the Committee on Expenditures in Executive Departments, and that committee has unanimously approved an investigation.

I had hoped we could keep the whole subject from the floor of the Senate,

but it has been brought up at different times. I am receiving a great deal of correspondence on the subject. I received a great deal of it following the passage of the other bill from persons wanting to know why, if as claimed by the Secretary of Agriculture, Mr. Brannan, there was nothing wrong with the expenditure of the \$366,000,000, why should we investigate the question?

I shall now read a letter which was inserted in the RECORD without any Senator, except the Senator from Oklahoma [Mr. THOMAS], knowing its contents. It is addressed to Representative BRENT SPENCE, dated April 5, 1949, and signed by the Secretary of Agriculture:

DEPARTMENT OF AGRICULTURE,
Washington, D. C., April 5, 1949.
HON. BRENT SPENCE,
Chairman, Committee on Banking and
Currency, House of Representatives.

DEAR MR. SPENCE: This refers to the \$366,000,000 of receivables on the books of the Commodity Credit Corporation as of June 30, 1945, discussed in the General Accounting Office audit report on the CCC recently submitted to the Congress and to which attention has been again recently directed by Senator WILLIAMS of Delaware.

These wartime operations were the subject of an extensive investigation by a House committee under the leadership of Judge Tarver. The then War Food Administrator Marvin Jones, laid all pertinent facts concerning these transactions before the committee. All questions of fraud or loss to the Government were fully explored and the committee fully satisfied that there was no evidence of either.

I repeat the last sentence as written by the Secretary of Agriculture to the Member of Congress. Apparently the letter was inserted in the RECORD at the Secretary's request:

All questions of fraud or loss to the Government were fully explored and the committee fully satisfied that there was no evidence of either.

If there was any truth in that statement, it was the duty of the Secretary to put the letter into the RECORD. If there was no truth in it—and I shall prove, before I sit down, that there was no truth in it—the Secretary had no right to put an incorrect statement in the RECORD to influence Congress on legislation.

He is quoting Judge Tarver, as apparently being well satisfied with everything which had transpired in the Department of Agriculture. Judge Tarver, in 1945, was on the House Committee of Appropriations which was, under House Resolution 50, conducting an investigation of the WFA. The conclusions in the report signed by Judge Tarver, dated June 27, 1945, are referring to the same thing. The report of Judge Tarver's committee was a unanimous report, so far as I know. The committee was a Democratic-controlled committee. This committee not only was not satisfied with what was going on in the Corporation, but it urged a further investigation of the Corporation, and pointed out the fact that the General Accounting Office was auditing the books. The report stated that as soon as the audits were submitted to Congress, Congress should pay particular attention to their findings as to whether there was anything wrong.

That was June 30, 1945. The General Accounting Office went in on December 19, 1945, and audited the books. That Office did not submit a report until after a resolution was presented on the floor of the Senate on the 25th day of March, this year. As a result of the investigation, the General Accounting Office said there was \$366,000,000 which could not be accounted for, and, in the same report, it said the whole problem was worthy of a further study by a congressional committee.

So, Mr. President, when the Secretary claims that it is all cleared up, either he does not know what he is talking about—and he should know—or else he is deliberately trying to misrepresent the facts.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. Has the Senator asked the Secretary if he has in his files a letter from Judge Tarver, on the completion of the general audit, stating that the committee was satisfied as to the matter to which the Senator refers?

Mr. WILLIAMS. In order that we may get that straight, I shall read Judge Tarver's report—

Mr. ANDERSON. That is not the most recent statement on the subject.

Mr. WILLIAMS. I shall read the same report to which the Senator is referring.

Mr. ANDERSON. I am sorry. I am not trying to stop the Senator, but I merely wanted to say that the matter contained in that report and the item of \$366,000,000 are not the same items.

Mr. WILLIAMS. The Senator is correct in that; they are not the same items. The report refers to the investigation conducted by the House committee. The item of \$366,000,000 was reported as the result of the investigation conducted by the General Accounting Office at the suggestion of the House committee of which Judge Tarver was a member. They are referring to two different situations; but that makes it worse, for they found them both out of line.

I shall read Judge Tarver's report to which the Secretary of Agriculture referred when he claimed it completely exonerated the department and that the committee was satisfied. After reading this report, the Senate can judge for itself whether either Judge Tarver or the committee was satisfied.

I read from page 6 of Judge Tarver's report:

It has definitely been brought out during this investigation and hearings that there has been no reconciliation of the inventories submitted monthly by the various warehouses with records of the WFA and that storage and service charges are being paid solely upon the word of the warehouseman that such storage and service charges are due and accurate without checking against any storage records of the WFA.

I might say that each time we refer to the War Food Administration, we are in reality referring to the Commodity Credit Corporation, because it was operated under that name during the war.

Mr. ANDERSON. Mr. President—

Mr. WILLIAMS. Under a Presidential directive, the duties were transferred to the Commodity Credit Corporation

during the war; and no matter what we call it, it is still spending taxpayers' money.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I shall yield in order that the Senator may make any statement he desires to make.

Mr. ANDERSON. The War Food Administration and the Commodity Credit Corporation were not one and the same thing. The Commodity Credit Corporation and the Department of Agriculture are not one and the same thing. They have never been. I think the Senator should check that statement carefully.

Mr. WILLIAMS. That is not correct. The \$366,000,000 I referred to as being unaccounted for, and which the General Accounting Office referred to as receivables for which there was no accounting, are receivables in the Commodity Credit Corporation at the time it was operating under the name of the War Food Administration. That is a fact. When the General Accounting Office used the name "Commodity Credit Corporation" they were referring to the same corporation to which Judge Tarver was referring, and when Secretary Brannan wrote this letter he, too, was referring to the same corporation.

I shall go back and reread this from the beginning:

It has definitely been brought out during this investigation and hearings that there has been no reconciliation of the inventories submitted monthly by the various warehouses with records of the War Food Administration and that storage and service charges are being paid solely upon the word of the warehouseman that such storage and service charges are due and accurate without checking against any storage records of the War Food Administration. It has been obvious that the lack of such procedure is primarily due to the knowledge of the officials of the War Food Administration that they had no records which were of sufficient accuracy to make such checks.

That does not say anything about transfers between interdepartmental agencies. This refers to transactions with private industry, and it says they were carrying out their transactions on the sole word of the men in industry themselves because the Department had no records with which they could check. Continuing the report:

It appears with respect to the sale of commodities to individuals and corporations that in some instances final settlement for the transaction is based upon the quantities which the purchaser states that he has received. Instances have been brought to the attention of the committee where the amount stated by the purchaser disagrees with the amounts reflected by the inventory records of the War Food Administration and final settlement has been made based upon the quantities reported by the purchaser. Obviously such a condition makes it possible for unscrupulous operators in surplus commodities to defraud the Government and action should be taken to correct this situation.

I read from page 2 of the report:

Many errors of judgment and administration necessarily occurred. It is not the opinion of the committee that all such errors justify unmitigated condemnation. We feel, on the contrary, that many of them were unavoidable. At the same time we are

of the opinion that inefficiency and dereliction in duty have occurred on the part of some of the officials and employees of the War Food Administration and that such derelictions are clearly indicated by the record of the hearings.

Mr. ANDERSON. Mr. President, will the Senator read the title of the report to see if it is an investigation of the War Food Administration or the Commodity Credit Corporation?

Mr. WILLIAMS. The title of the report is "Investigation of the War Food Administration Under House Resolution 50." But it is the same report to which Secretary Brannan referred in the letter which he had inserted in the RECORD, and I shall reread the statement as contained in his letter:

These wartime operations were the subject of an exhaustive investigation by the House committee under the leadership of Judge Tarver. The then War Food Administrator, Marvin Jones, laid all pertinent facts concerning these transactions before the committee. All questions of fraud or loss to the Government were fully explored, and the committee fully satisfied there was no evidence of either.

Secretary Brannan was referring to this, and nothing else.

Mr. ANDERSON. I beg the Senator's pardon. He was not referring to that report. The report the Senator has in his hand is a report prepared by the committee with reference to the investigation of the War Food Administration, and the study which was made by the Federal Bureau of Investigation, of which I still have a copy, was made with reference to the officials of the War Food Administration, not the Commodity Credit Corporation.

Mr. WILLIAMS. Certainly it was, but the Senator from New Mexico did not pay attention when I read this.

Mr. ANDERSON. I did.

Mr. WILLIAMS. Secretary Brannan also is referring to the War Food Administration in his letter. We are both referring to the War Food Administration for the period between 1943 and 1945. This is the Secretary's letter which is inserted in the RECORD. He did not say the Commodity Credit Corporation. He said the War Food Administration.

Mr. ANDERSON. I very respectfully suggest to the Senator that what he said was that Marvin Jones, the War Food Administrator, laid facts with reference to the Commodity Credit Corporation before the committee.

Mr. WILLIAMS. That is correct, and I am going to show the facts Marvin Jones laid before them. Also in this report, which I shall read, the committee points out that Marvin Jones testified before the committee, but they said they did not accept his testimony as accurate; they merely allowed him to file it, because he was the Administrator, and they themselves said it should not be accepted as having any degree of accuracy. I will read that statement when I get to it. I shall refer to the same report. If there is another report, let us have it produced.

Mr. President, I see the Senator from Illinois [Mr. LUCAS] present. I ask him if he wishes to have the session contin-

ued. I think I shall take at least another hour.

Mr. LUCAS. We will proceed, I will say to the Senator from Delaware, another hour, very probably.

Mr. WILLIAMS. I have no intention of unduly delaying. I do not know what other Senator wishes to speak on this subject. I think there are others. But since this question of the \$366,000,000 has been brought up, I wish to finish clearing up the record.

Mr. LUCAS. I appreciate that, and I think the Senator should have all the time he desires. I have no intention at all of rushing the Senator.

Mr. WILLIAMS. I continue to read from page 4 of the same report which was referred to by the Secretary of Agriculture, and which report he said exonerated the Administration of any blame. I find this statement:

The foregoing conclusions are predicated upon actual inspections made by the committee's investigators in 12 warehouses, a study of warehouse inspector's reports covering 9 other plants, and information from other sources indicating that similar conditions obtained in at least 27 more establishments or a total of 48 warehouses. There is a total of approximately 1,500 warehouses storing commodities for the War Food Administration and it is obvious they could not all be scrutinized by the investigational staff.

However, the committee believes the number actually covered comprises a reliable sampling. While we are not justified in assuming that conditions which are subject to criticism or condemnation exist in other branches of the War Food organization which we have not had an opportunity to examine—

I should like to have the Senator from New Mexico pay particular attention to this part of this report, which is Judge Tarver's report, referred to by the Secretary of Agriculture. I continue:

We believe that a further investigation of them and of the operations of the War Food Administration as a whole is thoroughly justified and desirable. We understand that an investigation is at this time under way under the jurisdiction of the Office of the Comptroller General with reference to stocks in warehouses controlled by the War Food Administration, the results of which should be of considerable value.

I might say that that investigation was the one conducted by the General Accounting Office, and the results of that investigation are the ones contained in the books which were submitted to the Congress on March 30 this year, in which the statement was made that the amount of \$366,643,219, recorded as due from sales, could not be justified.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. I suggest that that was not the subject at all of the second investigation. The investigation was completed. It had to do with inventory stock. The record of it is all on file. Following that, a general audit of the corporation was made by the General Accounting Office, and upon that audit was developed the \$366,000,000.

Mr. WILLIAMS. Certainly, the audit that was conducted as a result of the statement of the committee I have just referred to, which the General Accounting Office made of the books. The audit

was begun on December 19, 1945, and was submitted to the Congress this year, and is the one that shows that this amount is short. If the Senator from New Mexico will check with the General Accounting Office, he will find they will support everything I have said, and if he thinks they will not, I am perfectly willing to carry this matter over until tomorrow, and he can check with them, and then we will continue. I have checked this with them, and that is what they have told me, and unless someone produces evidence otherwise then my statement stands.

If Senators will read the books which were submitted on March 30 of this year they will find that they do refer to the same report. Surely you are not claiming there are two corporations operating under one name.

I continue to read from Judge Tarver, in the committee report:

The records of the War Food Administration are not sufficiently complete and accurate to enable us to determine the extent of loss which has thus occurred, but the evidence submitted justifies the feeling that it has been considerable, probably amounting to many millions of dollars.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. Again I shall try to straighten out for the Senator my point of view on this matter. The farmers of the country have a great stake in the Commodity Credit Corporation. They do not want to lose it. I am sorry to hear the Senator tie into the criticism of the Commodity Credit Corporation the criticisms which were made of the War Food Administration.

Mr. WILLIAMS. The Senator may be sorry to hear it, but the Senator from New Mexico is the one who started this discussion a few minutes ago for the third time it has been raised on the floor of the Senate. I specifically stated on the floor, and I think the Senator will remember it, when we first started this debate, that I did not think such a discussion should be made a part of the debate on the bill. I still feel that way.

Mr. ANDERSON. Why does not the Senator stop it then, and go on with a discussion of the report?

Mr. WILLIAMS. The Secretary of Agriculture insisted on having his letter inserted in the RECORD. It has been referred to two or three times, and this time we are going to get the record straight.

Mr. KEM. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. KEM. Would the Senator permit me to state, as a Member of the Senate from a great farming State, that the farmers of the country have a great stake in the honest administration of the affairs of the Commodity Credit Corporation.

Mr. WILLIAMS. I believe the Senator from Missouri is right. There is not a Member of the Senate who is more interested than I am in preserving the good name of the Commodity Credit Corporation, but a good name cannot be preserved by covering up a lot of corruption, if it exists. A good name can

only be preserved by convincing the people that either the corruption does not exist, or else that the officials of the Corporation are honest enough to clear it up and expose it.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. The Senator has examined the record respecting the \$366,000,000. Does it contain charges of fraud?

Mr. WILLIAMS. The record does not contain charges of fraud, neither does it deny fraud.

Mr. ANDERSON. It does not contain charges of fraud or dishonesty on the part of individual employees?

Mr. WILLIAMS. It makes no charges, nor have I made any.

Mr. ANDERSON. Then are we interested in having an honest administration or not?

Mr. WILLIAMS. Just to keep the record straight let me say that the report to which the Senator refers also does not say that there is no fraud, and I venture to say that the Senator will not get the Comptroller General to say that fraud does not exist. He merely says that there is the sum of \$366,000,000 for which there is no accounting and satisfaction. When I first pointed that matter out on the floor of the Senate, the Senator from Illinois [Mr. LUCAS] said it was one of the most damaging charges which had ever been made on the floor of the Senate, and that if he thought there was any truth in it he would be the first to ask for an investigation. Every statement I made on the floor of the Senate on that day was supported by the General Accounting Office. Unfortunately, the Senator from Illinois later became ill, and was not present in the Senate to join me in persuading the Senate to begin the investigation, but I am sure he will join with me in the expression of appreciation that the subcommittee has begun the investigation, and in expressing the hope that it will find the answer.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. The Democratic Party never shields any wrong, and if the Senator from Delaware can produce facts to support an allegation of dishonesty or fraud I am sure he will find that the subcommittee of the Committee on Expenditures in the Executive Departments will go to the bottom of any charge the Senator may make. We will be very glad to do that.

Mr. WILLIAMS. I hope the Senator from Illinois will not misunderstand me. A subcommittee, in which I for one have a great deal of faith, with its investigators and staff, are going to go to the bottom of this matter. I certainly hope the Senator from Illinois does not take the position that because the Democratic Party is in control it is my obligation as a Member of the Senate, having once called the matter to the attention of the Senate, to go into every detail of it and find everything that is wrong and report it to the subcommittee. I say, let the subcommittee find out something for itself.

Mr. LUCAS. I do not expect the Senator to do that; not at all.

Mr. WILLIAMS. I shall work with them in any way I can, and I have been working with them.

Mr. LUCAS. Mr. President, will the Senator again yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. I do not want anyone to believe that what the Senator has said is directed against the Democratic Party or the Senator from Illinois. It is my understanding that a subcommittee has been appointed to investigate the matter, and that the able Senator from North Carolina [Mr. HOEY] is chairman of that subcommittee. Knowing the Senator from North Carolina as I do, knowing his reputation for rugged honesty and integrity, and knowing his reputation as Governor of his great State, and knowing the fine things he has done in the Senate of the United States, I am sure the Members of the Senate and the people of the country will be well satisfied when that Senator and his subcommittee, get through with the investigation. I may say to my good friend, the Senator from Delaware, that it seems to me the proper place to carry on the investigation is in the subcommittee, rather than to debate the matter here on the floor of the United States Senate. I doubt very much whether what the Senator has to say here at this particular time—

Mr. KEM. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state it.

Mr. KEM. Who has the floor?

The PRESIDING OFFICER. The Senator from Delaware has the floor.

Mr. WILLIAMS. I understood the Senator from Illinois was asking me a question, but had not concluded. I shall be happy to answer his question if I can.

Mr. LUCAS. Mr. President, I admit that I violated the rule in making an observation on the Senator's time rather than asking a question. If the Senator from Missouri desires to make a point of order against me, it is perfectly all right with me.

The PRESIDING OFFICER. The Senator from Delaware controls the time. To whom does he yield?

Mr. LUCAS. Mr. President, will the Senator yield for a question in order that I may satisfy my good friend from Missouri?

Mr. WILLIAMS. I yield for a question.

Mr. LUCAS. Does not the Senator agree with me that it would be much better if the Senator were to go before the subcommittee of which the able Senator from North Carolina [Mr. HOEY] is chairman, and submit the facts and figures he has in his possession, and make the arguments he desires to make, rather than to try the case on the floor of the Senate in connection with the conference report?

Mr. WILLIAMS. I may say to the Senator from Illinois that I not only agree with him, but I have stated on many occasions that a Senate committee is the place for the investigation to be made. When the bill in connection with the Commodity Credit Corporation

first came before the Senate during this session, on two or three occasions questions were asked during the debate about this \$366,000,000. I then stated—and if Senators will read the RECORD they will find what I say to be true—that I did not want to go into any discussion of this item.

Mr. President, I have the utmost confidence in the Senator from North Carolina [Mr. HOEY]. I think he will conduct his investigation without any thought as to which political party is involved.

I have never made this a charge against any political party. In fact, I have never made any charge on the floor of the Senate that there is anything wrong other than the matter of the \$366,000,000, for which there is no accounting. I said we should have an accounting for that money. I think an investigation into that matter should be had. I for one would not feel that it was an investigation that was not worth while, even though the investigating committee later came in and said that every dollar was accounted for. In such an event I would not be disappointed in having requested the investigation. I merely want to know where that money went. I think we are entitled to an explanation. I think the name of the Commodity Credit Corporation can best be restored by the committee investigating it, emphatically stating that there is or that there is not anything wrong and crooked in connection with that money.

So far as debating the subject on the floor of the Senate is concerned, I will say that I had no intention of going into that matter if I could help it. When we started the discussion I stated that I refused to go into any debate on that subject at the time. But just before the passage of the bill, the letter to which I referred, written by the Secretary of Agriculture himself, was inserted in the RECORD, immediately prior to the vote. In my opinion it was highly irregular to have done so. Had the chairman of the committee felt that that matter should enter into the discussion I think it would have been much more proper to have discussed it on the floor, but since the letter was merely inserted in the RECORD, I ignored it and let the matter go, and made the statement the following day that I had not overlooked it, but did not feel that the floor of the Senate was the proper place to discuss the matter.

I did not raise the question here today. It was raised again today and referred to as water over the dam. I am now merely endeavoring to get the record straight. From now on I hope discussion of the matter will take place before the committee, a committee in which I have the utmost confidence.

I might say that all I intend to do now is to bring the record up to date from the point where the matter is already of official record. I am not violating any confidence. I have no intention of violating any confidences or to go into anything which the committee is now in the process of examining.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. LUCAS. I am in wholehearted agreement with the Senator from Delaware. Let me say again that if there is anything the majority leader can do to help in connection with the investigation, the Senator from Illinois is very glad to do it, because if there are any irregularities in connection with the millions of dollars which are handled by the Commodity Credit Corporation, the Senator from Illinois is just as anxious to find out about them as is any other Senator.

The only reason I made my previous statement in connection with the debate with the Senator from Delaware was that I thought, from reading the report, the House committee had thoroughly investigated this subject upon another occasion, and I was under the impression that the Committee on Agriculture and Forestry went thoroughly into the controversy. Perhaps neither committee went far enough. I am very happy that another committee is going into the subject. I hope it will plumb to the bottom, and that this controversy can be settled once and for all, to the satisfaction of all Members of the Senate concerned.

Mr. WILLIAMS. I can readily understand how the Senator from Illinois has the impression that the House committee fully explored this question and was satisfied. The Secretary of Agriculture, in a letter which was inserted in the RECORD, made such a statement, when referring to the investigation which was conducted by the House committee, from whose report I have been reading—

Mr. LUCAS. I am familiar with the letter. It was sent to the Senator from Illinois at one time.

Mr. WILLIAMS. The Secretary of Agriculture made the statement that all questions of fraud or loss to the Government had been fully explored and that the committee was fully satisfied that there was no evidence of fraud.

The committee was not fully satisfied. If the statements which I am reading into the RECORD are statements indicating satisfaction on the part of the committee, and if this is what the Secretary of Agriculture describes as a favorable report, I should be most interested in seeing something which he would describe as an unfavorable report.

Mr. LANGER. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield to the Senator from North Dakota.

Mr. LANGER. I have been trying for about half an hour to get the Senator to yield to me. A while ago the Senator made the statement that North Dakota was always asking for some kind of assistance and relief. Can the Senator tell me the last time North Dakota asked for anything along that line?

Mr. WILLIAMS. The last time to my knowledge was when the Senator from North Dakota started the so-called threat of a filibuster unless he got \$25,000,000. He settled for \$12,500,000, part of which went to the State of North Dakota. That question was settled on the floor of the Senate one evening. That was one of the noticeable occasions

when a deal was made on the floor of the Senate; and I must say that it was the highest-priced speech I have ever heard. I congratulate the Senator from North Dakota. To my knowledge he is the only man ever to make a \$12,500,000 speech on the floor of the Senate. He required not more than 30 minutes.

Mr. President, I do not wish to enter into an argument at this time with the Senator from North Dakota.

Mr. LANGER. Mr. President, will the Senator further yield?

Mr. WILLIAMS. I yield.

Mr. LANGER. Do not the farmers in Delaware use modern toilets?

Mr. WILLIAMS. We do not use \$12,500,000 toilets.

Mr. LANGER. Do they not use modern toilets?

Mr. WILLIAMS. The Senator from Delaware has never been able to make a \$12,500,000 speech on the floor of the Senate. I congratulate the Senator from North Dakota on his ability to finagle the other side into giving him \$12,500,000 to shut up. So far they have never offered me anything to shut up. They will not even offer me anything to speak.

Mr. LANGER. I thank the distinguished Senator from Delaware.

Mr. WILLIAMS. Mr. President, continuing further in the Tarver report, I find the following statement on page 7:

An examination of the hearings will reflect that practically all of the officials who were questioned admitted that the inventory records of the WFA were inaccurate.

A subsequent paragraph concludes with this statement:

It naturally follows that inasmuch as the inventory records are admittedly inaccurate, and financial statements prepared which include inventory transactions are themselves inaccurate.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. Again I ask the Senator whether that refers to the War Food Administration or the Commodity Credit Corporation?

Mr. WILLIAMS. It refers to the War Food Administration, which was operating the Commodity Credit Corporation under a Presidential directive during the period from 1943 to 1945. They are one and the same corporation.

Mr. ANDERSON. I merely wish to state for the RECORD again that they are not one and the same corporation. The records, when they are finally produced, will show that they are not one and the same corporation.

Mr. WILLIAMS. I dislike very much to disagree with the Senator from New Mexico, but they are the same corporation. At the time the Presidential directive was issued in 1943, it stated that until further notice the Commodity Credit Corporation would operate as the War Food Administration. I will get the exact dates within which it so operated. I will get the date and the number of the Presidential directive, and will insert them in the RECORD.

In order that the RECORD may be complete—I do not know that I will have the information tonight—I ask unani-

mous consent that I be permitted to insert in the RECORD at this point the number and the date of the Presidential directive to which I am referring.

The Executive order referred to above is No. 9334, dated April 19, 1943, under which the Corporation was consolidated into the War Food Administration.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WHERRY. Mr. President, will the Senator yield for a parliamentary inquiry?

Mr. WILLIAMS. I yield.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. In order that we may understand the mechanics of the conference report, I ask the Chair if it is not a fact that the pending question is on agreeing to the conference report, and that the only action that can be taken is to agree to the conference report or to reject it.

The PRESIDING OFFICER. The question before the Senate is on agreeing to the conference report.

Mr. WHERRY. So if a Senator is opposed to the conference report he will vote "nay"; and a motion to do anything other than that at this time would be out of order, would it not?

The PRESIDING OFFICER. The Chair does not know what type of motion the Senator refers to.

Mr. WHERRY. Is there any other motion that can be made?

The PRESIDING OFFICER. A motion to recommit the bill to the conferees would not be in order, because the House has agreed to the conference report and has discharged its conferees.

Mr. WHERRY. Therefore, is not my observation correct—that the only procedure now is to agree to the conference report or to reject it?

The PRESIDING OFFICER. The Senator is correct.

Mr. WHERRY. Then if other motions are desired, they can be made after that question has been disposed of.

The PRESIDING OFFICER. That is correct.

Mr. WILLIAMS. Mr. President, continuing on page 8 of the same report, we find this statement. I am quoting from the report which was published by Judge Tarver, and to which Secretary Brannan referred in his letter of April 5, which was inserted in the RECORD immediately prior to the vote on S. 900. I repeat, the WFA referred to herein is the same as the CCC:

After due consideration and study of all of the facts developed with regard to the inventory records and financial statements contained in the hearings and in the reports of the committee's investigators, the committee can arrive at only one conclusion, and that is that any report submitted by the WFA based upon the inventory records and financial records will be inaccurate and will fail to properly reflect the true condition.

I call particular attention to this following statement, because it has been repeatedly said that Marvin Jones, Administrator of the War Food Administration, appeared before the committee and cleared up all doubt as to any existing

irregularities. Secretary Brannan emphasized that point when he said that—

The then War Food Administrator, Marvin Jones, laid all pertinent facts concerning these transactions before the committee. All questions of fraud or loss to the Government were fully explored, and the committee was fully satisfied that there was no evidence of either.

But here is what Judge Tarver said on that occasion:

The statement by Mr. Lee Marshall, dated January 16, 1945, inserted in the hearings by Hon. Marvin Jones, War Food Administrator, reports the theoretical condition and not the actual condition as found during this inquiry. While the statement has been permitted by the committee to be placed in the hearings, it is felt that the contentions therein made as to correction of conditions are not supported in their entirety by the evidence which has been adduced and that further efforts looking toward their immediate correction are imperatively demanded.

In other words, the committee accepted the statement, but at the same time stated in the report that the contentions were inaccurate, and were allowed to be filed only by courtesy.

I read further from the Tarver report:

A very serious situation has been brought to light during this investigation with respect to erroneous information having been furnished to committees of Congress purportedly outlining certain conditions, in the WFA with particular respect to losses and movements of commodities.

Even then, Mr. President, they were having trouble with members of the executive branch who appeared before the House committee and gave it erroneous information.

Mr. ANDERSON. Mr. President, will the Senator yield?

Mr. WILLIAMS. I yield.

Mr. ANDERSON. Again I wish to ask the Senator whether he has ever questioned the Department of Agriculture or the House committee as to whether, subsequent to the date to which the Senator has referred, it made an investigation and expressed itself as satisfied. I refer to that matter because the report was made to me, and it could not possibly have been made to me in May of 1945.

Mr. WILLIAMS. I know of the report to which the Senator from New Mexico is referring. It had no reference to that matter, any more than this report has reference to the report of the General Accounting Office. Of course, I do not say that the Secretary cannot find letters in which it is stated that nothing was wrong. The Senator from Illinois inserted a series of letters, one day, every one of which specifically states that nothing was wrong with the Department of Agriculture. Interestingly enough, every one of those letters, which exonerate the Department of Agriculture, was written and signed by members of the Department of Agriculture itself.

Mr. ANDERSON. I refer to the House committee—

Mr. WILLIAMS. I ask the Senator to wait just a minute, please. The General Accounting Office have written letters in which they state that they do not

believe it would pay to go into the details and check the transfers as between the various Government agencies, since no money would be recovered, and since it was more or less a matter of bad book-keeping.

But so far as the records of transactions with private operators are concerned, we have a right to know how those transactions were conducted. A procedure by which transactions, sales, and settlements were made on the sole word of the buyer is highly irregular and should not be allowed to occur. Even assuming that everyone in the United States is honest, we still do permit Government business to be done in that way—by telling a man to go into a Government warehouse and load up his trucks with all of a certain commodity that he wishes to have, and then tell the Government agency what he thinks the amount he has taken is worth, and make settlement on that basis. We do not permit Government business to be done in that way.

Mr. ANDERSON. I agree; but I think the Senator from Delaware has missed my point.

In Secretary Brannan's letter there is a statement that a House committee investigated this matter and expressed itself as fully satisfied.

Mr. WILLIAMS. Yes. That is what Secretary Brannan said, but I am now reading the report itself which completely denies his statement.

Mr. ANDERSON. Now the Senator from Delaware is reading from a document which has no reference whatever to that matter.

Mr. WILLIAMS. The record will speak for itself. Later I shall insert the entire report.

If the Senator from New Mexico—and let me state that I have a great deal of respect for his opinions, but I wish to complete my remarks, for I have been speaking too long now—

Mr. ANDERSON. Mr. President, I merely wish to say that the document from which the Senator from Delaware is reading is not the one to which Secretary Brannan referred. It will be a very simple matter for the Senator from Delaware to get the document referred to and read what it states as to the facts.

Mr. WILLIAMS. If the Senator from New Mexico has other reports he should produce them.

I will later ask unanimous consent to have this document inserted in its entirety in the CONGRESSIONAL RECORD in order that all Senators may read it. Then Senators can draw their own conclusions as to whether the same document is referred to, inasmuch as Secretary Brannan specifically referred to Marvin Jones, the War Food Administrator, and his appearance before the committee.

Mr. President, in this document the charge is made that when the members of the Commission appeared before the committee in 1945, they supplied it with erroneous information; and the further statement is made that the committee

did not have any confidence in those statements.

I read further:

Congress has every right to expect that representatives of the executive agencies will furnish accurate information upon request; and in the event it is not possible for the executive agencies to furnish accurate information as requested, Congress should certainly expect that officials of such agencies would so advise.

Continuing further, I read from page 9:

During the hearings held by this committee in connection with the 1946 appropriation a request was made for a statement of losses which was furnished in accordance with the testimony of Colonel Olmstead.

He was Vice President of the Corporation.

I read further:

An examination of the hearings will definitely reflect that this statement of losses is completely inaccurate and was known to be inaccurate at the time it was submitted to this committee.

So the committee was accusing the Vice President of the Corporation, appearing before the committee, of submitting information which was inaccurate, and which he knew was inaccurate at the time when he submitted it.

Yet the Secretary of Agriculture claims the committee was finding no fault with the Corporation, but found that everything was in order, in line with proper procedure.

I read further from the report:

It should not be necessary for this committee or any other committee to remind officials of the executive agencies that Congress has a right to expect accurate information on request.

Only a few years ago this committee developed, upon an investigation, that a responsible official of one of the agencies had, in the language of the Secretary, "invented a scheme designed to thwart the submission of complete information that had been requested" by the committee, and for so doing was subsequently removed from office by the Secretary.

Later in the report the committee said:
Col. Ralph W. Olmstead—

Who was Vice President of the Corporation—

has been a predominating factor in the War Food Administration, particularly with respect to the purchase, distribution, and storage of food. This is not to say that others in the organization were without responsibility, but obviously Colonel Olmstead's position in the broad food-handling picture is such as to preclude the dodging of responsibility by laying the blame on a lesser official under his jurisdiction.

I may say that Colonel Olmstead for some time past has been working with the Government of China, in handling the distribution of our food supplies. He made such a deplorable record in handling these matters in the Commodity Credit Corporation, and was censured to so great an extent by the committee, that now he is rewarded by being permitted to handle the food supplies which we send to China.

The Senator from New Mexico has emphasized that all these irregularities were in connection with transactions between Government agencies, but here is one

which clearly was not between Government agencies. The committee called attention to it, saying:

Dried egg albumen sale: One of the transactions handled by the officials of the WFA brought out during the hearings concerns the sale of dried egg albumen. The basic facts of the transaction are that 89,600 pounds of dried egg albumen were sold by the WFA to George Ehlenberger & Co., of New York City, for ultimate disposition to a Swiss firm at \$1.30 per pound, at a time that the WFA had no surplus of dried egg albumen on hand and in order to fulfill the sales contract would have to purchase in the open market at from \$1.70 to \$1.85 per pound.

In other words, it had no inventory on hand, to speak of, and had to go out in the open market and purchase the commodity, in order to deliver it under the contract; and it paid a price of between \$1.70 and \$1.85 a pound for it.

I may say that was being done in the name of the farmers, and the impression is sought to be given that this Corporation operates and loses money in its transactions and operations for the benefit of the farmers. But I fail to see how they are benefiting any farmer, or benefiting anybody except the exporter, when they sell short an agricultural commodity which they do not own, which they have to go out in the open market to buy, in order to deliver on the contract. I might say I have been very much interested to note that there was no prosecution in the case. Evidently they decided that it was all right. If there was any prosecution that the Senator from New Mexico knows about, I wish he would correct me. But I have been advised there was not.

Mr. ANDERSON. I know of no prosecution, because the Commodity Credit Corporation in many of those transactions was acting as agent of the Military Establishment.

Mr. WILLIAMS. The Corporation was not acting as agent of the Military Establishment in this particular transaction. It is definitely pointed out in the report, on page 10, that it was a sale to a private corporation, George Ehlenberger & Co., of New York City, for ultimate disposition to a Swiss firm, at \$1.30 a pound. In the open market it would have cost \$1.70 to \$1.85 a pound.

Mr. ANDERSON. Was that desiccated eggs?

Mr. WILLIAMS. It was dried egg albumen, with respect to which they had no inventory on hand.

Mr. ANDERSON. It is the same as desiccated eggs. I know about the Ehlenberger transactions, because it came to my attention. I know there was some investigation made, followed by certain recommendations. I cannot state what the recommendations were.

Mr. WILLIAMS. It was a short sale. It was highly irregular for the Commodity Credit Corporation. There was no provision in the law, and it certainly was not the intention of Congress, that it should go out and sell short, for the sole purpose of enabling a foreign purchaser to make extra profit. They went into the open market. They did not have any inventory on hand. If they had had adequate inventory records, somebody

would have known what they had on hand, but they had no way of knowing what they had on hand, because they had no control over their inventories. I have read that case through from one end to the other. Those are the facts of the case. Whether the laws had been violated or not I am unable to say. I am not an authority.

Mr. ANDERSON. Does the Senator recall whether the Department of Agriculture recommended prosecution?

Mr. WILLIAMS. I do not know whether it ever recommended it or not. I do know the transaction took place.

Mr. KEM. To sum up the transaction, would the Senator from Delaware state the sales price of the dried egg albumen?

Mr. WILLIAMS. It was sold at \$1.30 a pound at a time when they did not have any inventory on hand, yet it was sold as a surplus commodity.

Mr. KEM. What price was being paid on the open market?

Mr. WILLIAMS. From \$1.70 to \$1.85 a pound, which they paid in order to fulfill the contract.

Mr. KEM. What was the loss to the taxpayers?

Mr. WILLIAMS. I have not figured it out, but it would be about 45 cents a pound on 89,600 pounds. Clearly it was not an interdepartmental transaction.

On page 11 Judge Tarver, speaking for the committee, made this statement:

Members of this committee have a definite feeling and belief that the personnel policies of the War Food Administration have been very lax. In two instances during this investigation the committee has been advised that individuals with prior criminal records have been placed in positions of responsibility, have been recommended from time to time for promotion, even though in addition to their criminal records they have been the subject of inquiry for violation of Department of Agriculture regulations.

We discussed two instances a little while ago in the debate, in which men known to have criminal records were hired. They were promoted constantly, time after time, and placed in positions of high responsibility. To my knowledge, two former convicted embezzlers, against both of whom charges were placed, were employed in the Department. Then, when the General Accounting Office comes along, and says, "Here is \$366,000,000 representing transactions which cannot be accounted for," I say, by all means, we have got to have an accounting; these men may not be guilty of taking any of this money, but the mere fact that, in some instances, they were guilty of irregularities and admitted their guilt, is evidence enough to warrant an investigation.

Mr. FERGUSON. Mr. President, does the Senator know whether these men are still employed by the Corporation?

Mr. WILLIAMS. They are not now employed, to my knowledge. One of them definitely is not employed. I have not been advised definitely on the other, but I think both are out of the employment of the Government.

Mr. FERGUSON. Does the Senator know why they left the employment of the Government?

Mr. WILLIAMS. The one with whom I am familiar left on May 1, 1945.

Mr. FERGUSON. No; I mean the reason. Does the Senator know the reason?

Mr. WILLIAMS. The Civil Service Commission files show that he left voluntarily, and, according to the files, he has a perfectly clean record, as clean as any other civil-service employee. The FBI files are not quite that clean. There is quite a conflict in the testimony on the part of the top officials of the Government. One man says he was fired, another says he was asked to resign, and a third man said, "None of that is true; he resigned of his own accord." I do not know. He left on May 1.

Mr. ANDERSON. If the Senator would favor me by giving me privately the name of the third man, I would like to have it, because I think the gentleman was not in the situation the Senator suggests. The whole difficulty arose over the fact that the Civil Service Commission made its investigation, the man filled out a form, showing where he had been employed over a long period of time. This occurred well before I came into the Department, but he showed where he had been employed. He showed a perfectly good record. The Civil Service Commission investigated him and certified him, and the Department was required to take one of the three men. They took that man on the basis of the civil-service recommendation. I cannot possibly see how that is a reflection upon the Commodity Credit Corporation, when he was not an employee of it.

Mr. WILLIAMS. I am only carrying through the reflection which was cast by the committee headed by Judge Tarver itself, which Secretary Brannan said cleared them of all responsibility.

Mr. ANDERSON. That was the investigation by the War Food Administration.

Mr. WILLIAMS. Yes; and the War Food Administration, I repeat, was the same as the Commodity Credit Corporation, during the period from 1943 to 1945. If that is not true, then I ask the Secretary of Agriculture, What did the Commodity Credit Corporation do? Did it function during that period?

Mr. ANDERSON. Yes; but it functioned as it functions now, under the Department of Agriculture.

Mr. WILLIAMS. I repeat, the Commodity Credit Corporation, during the period from 1943 to 1945, as referred to by the General Accounting Office in the books which were submitted to the Congress on March 30 of this year, is the same Corporation to which I am now referring, and it is so referred to in the books which were submitted to the Congress by the General Accounting Office under date of June 30, 1945. The conclusion of the committee was this:

The committee does feel, however, that these facts do not excuse errors in administration which were avoidable or which, if unavoidable, could have been corrected and were not corrected after proper notice of their existence had reached those who were in a position to bring about corrective action. There appears to be no logical reason why more accurate records of the War Food Administration could not have been kept nor why the commitments of the War Food Administration could not have been met as readily or perhaps more readily if this had been done. The committee recognizes that

it was difficult to organize the regular flow of commodities to shipside due to the irregularity of ship schedules, but there appears to be no logical reason for inefficiencies in administration which have resulted in some cases in commodities which are in demand in the civilian market remaining in storage until they reach such a deteriorated condition that they are unfit for human consumption.

Mr. President, I ask unanimous consent to have inserted in the RECORD at this point as a part of my remarks the entire report as submitted by the House under House Resolution 50.

The PRESIDING OFFICER. Is there objection?

There being no objection, the report was ordered to be printed in the RECORD, as follows:

INVESTIGATION OF THE WAR FOOD ADMINISTRATION UNDER HOUSE RESOLUTION 50

RE WAR FOOD ADMINISTRATION SPOILAGE OF FOOD IN WAREHOUSES; CONTRIBUTING CAUSES, LACK OF RECORDS, AND OTHER EVIDENCES OF MISMANAGEMENT

Early in December 1944 the subcommittee on Department of Agriculture Appropriations having received information indicating possible mismanagement and waste of public funds in the WFA, particularly in connection with the storage and disposition of food, issued the following directive to the Chief of the Investigatorial Staff of the Appropriations Committee, instructing him to investigate the following:

"Warehousing by the Food Administration, inspection of the warehouses thereunder, and the suitability of the Division of Warehouse Inspection therefor. Whether abuses have arisen from prolonged storage of essential foods needed by the military and civilian populations. Whether proper records have been kept of commodities placed in storage, showing in an orderly and accurate way the type and quality of goods stored and withdrawn, and whether any abuses, injurious to the public and to the armed services, have occurred in the handling of stored commodities. In pursuing this inquiry, the investigator should avail himself of the findings of the Mead committee of the Senate with a view to avoiding duplication and should include in his report a digest of the findings of the committee bearing on this subject."

A preliminary report was submitted in February 1945, based upon certain facts developed plus many allegations, some of which, if proven true, would violate certain Federal statutes and subject the violators to the criminal provisions thereof. After due deliberation by the committee, it was decided to continue the investigation regarding mismanagement and waste of public funds, utilizing the committee's investigative staff, and to refer all matters which might possibly result in criminal prosecution to the Attorney General for investigation by the Federal Bureau of Investigation. The committee requested the Attorney General to furnish it copies of the FBI reports but was advised that would not be done as such matters were for the consideration of grand juries as to possible criminal action and were confidential.

At the conclusion of the committee's investigation and hearings, another request was made of the Attorney General for him to furnish the committee with the reports issued by the Federal Bureau of Investigation or furnish such information concerning the results thereof as could be made available. The reply of the Attorney General to this further request of the committee appears in the hearings. It is to be assumed that if any of the actions of the officials of the War Food Administration are in violation of Fed-

eral statutes appropriate action will be taken by the Attorney General to the end that such alleged violations may be appropriately investigated by the courts.

FINAL REPORT

The final report of the committee's investigators, as to a number of specific items and transactions, has been received and carefully reviewed by the committee. Considering the seriousness of the charges therein, it was decided that, in fairness to the officials who are directly or indirectly concerned with the supervision of the matters under investigation, they should have an opportunity to be heard. Hearings were held at which the officials appearing were questioned by the chief of the staff of the investigators and members of the committee, and the witnesses apprised of the nature of the charges and given an ample opportunity to offer any explanation. Fair consideration of the statements of these officials led, naturally, to the conclusion that they and their predecessors in their official stations were charged with the responsibility for setting up an emergency program for which administrative machinery had to be assembled hurriedly, and that great difficulties were incurred in securing a sufficient number of adequately trained personnel, as well as in the procurement with sufficient promptitude of adequate warehousing facilities with which to handle the huge program which was involved. Many errors of judgment and administration necessarily occurred. It is not the opinion of the committee that all of such errors justify unmitigated condemnation. We feel, on the contrary, that many of them were unavoidable. At the same time, we are of the opinion that inefficiency and dereliction in duty have occurred on the part of some of the officials and employees of the War Food Administration and that such derelictions are clearly indicated by the record of the hearings.

It is our belief that high officials of the War Food Administration were not in many instances apprised of some of these administrative errors themselves until they were brought to their attention in the course of this investigation. We believe that some of them have been corrected and have been assured that further efforts will be made to effect needed corrections in procedures as pointed out in this report and in the hearings themselves. The degree of responsibility for these errors of administration on the part of over-all supervisory authorities will depend, in the opinion of each person reading the hearings, upon what one may feel such authorities might have done to acquaint themselves with all of the details of the program under their supervision. Necessarily, many things were done in the field which did not come promptly to the attention of the Washington central office. We do not think that it was possible for authorities in the central office to have knowledge of all of the details of the work of this tremendous organization, and yet we do feel that when mistakes were called to their attention prompt action should have been taken, looking to their correction and to affording protection against the possibility of their recurrence. We are not able to feel that in all instances this has been done.

After studying the investigators' reports and the hearings, certain facts and conclusions have been reached by the committee which are set out hereinafter following the order of the charges as to mismanagement and inefficient operation of the WFA appearing in the hearings. This list of charges comprised the schedule of the interrogations of the several WFA officials who were summoned and given opportunity, under oath, to deny, explain, or justify the matters complained of which came within their respective jurisdictions.

While the committee has set forth its conclusions in the following pages, there are a few of the charges made by the investigator respecting which the committee as a whole has not formulated any opinion. Persons interested in the evidence presented under all of the charges are referred to the hearings.

REGULAR APPROPRIATION HEARINGS, 1946

In addition to the testimony incorporated in the hearings of the present investigation, the committee adduced considerable additional information bearing directly thereon at the time it was considering the regular Department of Agriculture appropriation bill for 1946. Reference is made to part 2 of the hearings on that bill. A special index of matters printed in those hearings which are related to this investigation has been prepared and is to be found under an appropriate heading at the end of the index to the hearings published in connection with this report.

CONCLUSIONS OF THE COMMITTEE

1. Warehousing practices

The evidence found by the investigative staff and substantiated by officials appearing before the committee during the hearings indicates that in some instances the WFA has stored food in warehouses that had been declared unfit by warehouse inspectors, and that in some cases such storage has been unnecessary, inasmuch as suitable space was available elsewhere. In some cases food has been stored in warehouses without benefit of prior inspection and subsequently it has been determined through inspection that the facilities were not suitable; commodities have remained in such storage and have not been moved to suitable quarters even after the unsuitability of the warehousing facilities being utilized had been determined. It is true that insistence has been made by WFA officials to the effect that in such cases they have endeavored to effect transfer and re-storage in suitable quarters as soon as such quarters could be provided and proper action to that end taken, but in the opinion of the committee adequate diligence in dealing with this subject matter has not been shown and unnecessary spoilage has resulted.

It appears that commodities have remained in storage in many cases for an undue length of time beyond that which is usually considered the safe storage period, with a resultant spoilage and loss to the Government. The evidence also indicates that sufficiently prompt action has not been taken in the disposal of food which has been in storage for a considerable period of time and is showing signs of deterioration and that action regarding the disposition of these commodities has in many instances not taken place until the commodities have become practically worthless.

We feel that explanations offered as to the conditions under which this situation became possible are not in accord with what might have been accomplished by careful administration both in Washington and in the field. We realize that since its inception the War Food Administration has been in a state of flux, with organization and reorganization and further reorganization following each other in rapid sequence and with several changes in a comparatively brief period of time in over-all responsibility both in the office of the War Food Administrator and among the responsible heads of various divisions of his organization. We believe that all of these circumstances make it difficult to place individual responsibility for many of the conditions which have been developed upon any specifically named individual or individuals, but we feel that WFA has been established for a long enough period of time to have attained a considerable degree of regularity in its procedures and that its organization should have been perfected to a far greater degree of efficiency than has been the case.

We are, as stated, endeavoring to furnish in this report our conclusions as to the evils which exist or have existed and should be corrected where correction has not been had without undertaking to incorporate in this report conflicting opinions of those who have considered the evidence as to where individual responsibility for these conditions should be placed. In many cases it has been impossible for us to determine this even to our own satisfaction.

The foregoing conclusions are predicated upon actual inspections made by the committee's investigators in 12 warehouses, a study of warehouse inspectors' reports covering 9 other plants, and information from other sources indicating that similar conditions obtained in at least 27 more establishments or a total of 48 warehouses. There is a total of approximately 1,500 warehouses storing commodities for the WFA and it is obvious they could not all be scrutinized by the investigatorial staff.

However, the committee believes the number actually covered comprises a reliable sampling. While we are not justified in assuming that conditions which are subject to criticism or condemnation exist in other branches of the War Food organization which we have not had an opportunity to examine, we believe that a further investigation of them and of the operations of WFA as a whole is thoroughly justified and desirable. We understand that an investigation is at this time under way under the jurisdiction of the Office of the Comptroller General with reference to stocks in warehouses controlled by WFA, the results of which should be of considerable value.

The criticisms here expressed of warehouse practices do not necessarily reflect blame upon the warehousemen, themselves. It is true, of course, that many warehouses are inadequately equipped and inefficiently managed by operators having little or no experience in the business, who have leased buildings without regard to their suitability, for the purpose of securing a share of the Government's storage custom, and who have directly contributed, by reason of their inadequacies, to the losses herein reported.

It seems to the committee that a properly managed inspection on the part of the WFA would have definitely determined the unsuitability of such warehouses prior to their use and we have not been convinced that the emergency nature of the program required in many instances the use of warehouses whose suitability has not been thus ascertained. In some of the instances in which such use was made it has been definitely established that adequate and suitable facilities were available and were not utilized.

On the other hand, many of the losses occurred among commodities stored in highly reputable warehouses, where neither warehouse conditions nor management contributed to the loss, but where loss occurred on account of failure of WFA officials to determine and act upon facts which were readily discoverable and concerning which in many cases it had been advised or could have been advised by ordinary diligence relative to the deterioration of food stocks and failure to take prompt and necessary action for disposal of the goods before spoilage actually occurred. The records of WFA are not sufficiently complete and accurate to enable us to determine the extent of the loss which has thus occurred but the evidence submitted justifies the feeling that it has been considerable, probably amounting to many millions of dollars.

2. Wasteful transfers between warehouses

It has been brought out during the hearings and further substantiated by information that was developed during the investigation that on some occasions commodities have been transferred from one warehouse to another without apparent reason, which, of

course, results in extra transportation charges, additional storage charges, since the first month's storage always includes the handling charges in and out, and in some cases the storage rates paid for the commodities in the second warehouse exceed the storage rates which were being paid in the first warehouse.

The committee has examined officials of the WFA at some length with regard to the transfer of dried skim milk from six warehouses throughout the Middle West to the United Warehouse & Terminal Corp., Mallory Avenue warehouse, Memphis, Tenn. It has been definitely established that the Mallory Avenue warehouse should not be used for the storage of war food commodities, according to recommendations of warehouse inspectors; that the WFA had no contract for the storage of dried skim milk in this warehouse but was aware that the last contract carried a rate for the storage far in excess of that which was being paid in the six warehouses from which the dried skim milk was shipped. Two months' storage charges were paid by the WFA even though no contract was in existence and only after the inquiry instigated by this committee was in progress did the WFA take any affirmative action in an effort to obtain a contract at a lower rate with this warehouse. As far as the committee has been able to ascertain such a contract has not been executed and the committee has been apprised of no reasonable justification for this transaction.

In an effort to establish the responsibility for this transaction officials involved were closely questioned and gave conflicting statements. Mr. Eldon Richardson has stated in effect that he issued instructions that commodities should be stored in the Mallory Avenue warehouse but did not instruct that commodities should be taken from other warehouses but had in mind that they should be obtained from vendors. Mr. Ben Guthrie, Chief of the Storage Division, who received the instructions from Mr. Richardson, states that he referred such instructions to Mr. Charles Murray, Chief of Dry Storage, and that he had not issued instructions that commodities should be taken from other warehouses in order to provide the Mallory warehouse of the United Warehouse & Terminal Corp. with commodities. On the other hand, Mr. Murray has stated that he was instructed by Mr. Guthrie to make this transfer and that it was his understanding that his instructions had originated with Mr. Richardson. The committee feels that the conflicting statements and its inability to obtain forthright information from any of the officials reflected rather definitely against the management of the Shipping and Storage Branch and illustrates to some extent the lack of proper organization referred to elsewhere in this report.

3. Unbusinesslike settlement of accounts

It has definitely been brought out during this investigation and hearings that there has been no reconciliation of the inventories submitted monthly by the various warehouses with records of the WFA and that storage and service charges are being paid solely upon the word of the warehousemen that such storage and service charges are due and accurate without checking against any storage records of the WFA. It has been obvious that the lack of such procedure is primarily due to the knowledge of the officials of the WFA that they had no records which were of sufficient accuracy to make such checks.

It appears with respect to the sale of commodities to individuals and corporations that in some instances final settlement for the transaction is based upon the quantities which the purchaser states that he has received. Instances have been brought to the attention of the committee where the amount stated by the purchaser disagrees with the amounts reflected by the inventory records of the WFA and final settlement has been

made based upon the quantities reported by the purchaser. Obviously such a condition makes it possible for unscrupulous operators in surplus commodities to defraud the Government and action should be taken to correct this situation.

4. Inefficient procedure for handling claims

The committee has been impressed with the lack of organization and coordination with respect to the handling of possible claims against warehouses and common carriers in accordance with losses that may have been partially due to mishandling by warehousemen and common carriers. The Chief of the Claims Division has advised in the hearings that he has not received full information concerning all possible claims and has estimated that the possible claims not received may run as high as 15 or 20 percent of the total.

The committee feels that adequate administrative machinery for the handling of claims should be promptly set up to the end that the Government's interests may be properly protected.

In some cases warehouses operated by individuals or corporations without adequate financial resources have been utilized and although the usual bond in the amount of 20 percent of the value of the goods stored has been required, complete recovery for losses sustained has not been possible. The committee feels that in the absence of extreme emergency only reputable warehouses of proven financial standing should be utilized.

5. Financial and inventory records

An examination of the hearings will reflect that practically all of the officials who were questioned admitted that the inventory records of the WFA were inaccurate. The primary responsibility for the inaccuracy of inventory records appears to rest with the Shipping and Storage Branch. It is here that all actions originate involving the acquisition and disposition, and all movements and change of status, of commodities in the custody of the WFA. It is, therefore, the responsibility of the Shipping and Storage Branch to advise promptly the Inventory Accounting Section of each and every transaction, if the latter is to be able at all times to furnish an accurate statement of the position of the WFA with reference to commodities within its custody.

The testimony of the several witnesses drawn from the Shipping and Storage Branch is in general agreement that no effective procedure has ever been imposed which will afford the Inventory Accounting Section adequate and timely data for its purposes. Statements made by John B. Charlton, Assistant Chief of the Inventory Accounting Section, disclose that his unit does not receive, in numerous instances, advices from the Shipping and Storage Branch of the receipt, disposition, or other movement of commodities until long after the action report has been had, and often not until after the position of the commodity has again changed, and in many cases such advices are never received.

From the foregoing it is apparent that even though information available to the Inventory Accounting Section should be accurately recorded and reported by that unit, it would not, because of its incompleteness, comprise an accurate inventory of the position of the WFA. It naturally follows that, inasmuch as the inventory records are admittedly inaccurate, any financial statements prepared which include inventory transactions are themselves inaccurate.

"Bulletin price"—"Unbilled accounts receivable": The inaccuracy of the financial records is, furthermore, aggravated by a procedure which has been in effect whereby sales to individuals and corporations are reported on the financial records at the bulletin price and not at the price at which the commodi-

ties were actually sold. The bulletin price is the price set by the WFA for the transfer of commodities under the lend-lease program and includes the original cost, transportation, and warehouse charges, handling charges, and a percentage estimated to be sufficiently large to cover the administrative cost and possible loss. As a result of this procedure, there is contained in the asset account, entitled "Unbilled Accounts Receivable," an undetermined amount, but amounting to several million dollars, which represents the difference between the bulletin price and the actual price received by the WFA. This results in the balance sheet of the WFA reflecting an asset of several million dollars which, as a matter of fact, is absolutely worthless and never was or never would be of any value.

In an effort to ascertain the extent of loss from spoilage and deterioration of commodities and including losses in connection with the price-support programs, the committee's investigators made requests of numerous officials for such tabulations. There has never been furnished to the committee such a tabulation, and efforts on the part of the investigators to ascertain the extent of loss have resulted in obtaining inadequate, and in some cases, conflicting information. A study of the investigators' reports which, as far as the financial records are concerned, were made by a qualified expert accountant, reflects that whereas there has without doubt been considerable losses, the financial records do not reflect such losses with sufficient particularity.

The policy of including in the bulletin price losses due to processing and repackaging of commodities has a result of confusing such losses, so that they are not distinguishable as such in any report. It is of interest to the committee to note that this method of handling some of the losses results in bulletin prices far in excess of the normal market prices, and inasmuch as the bulletin price is used in pricing transfers of commodities under the lend-lease program, the net result is that the lend-lease program is charged with such losses but they are not segregated and designated as such. While some special procedure may be necessary in the maintenance of accounts with lend-lease program beneficiaries, the records of the War Food Administration should be so kept as to accurately disclose the true losses sustained in connection therewith.

After due consideration and study of all of the facts developed with regard to the inventory records and financial statements contained in the hearings and in the reports of the committee's investigators, the committee can arrive at only one conclusion and that is that any report submitted by the WFA based upon the inventory records and financial records will be inaccurate and will fail to properly reflect the true condition. The statement by Mr. Lee Marshall, dated January 16, 1945, inserted in the hearings by Hon. Marvin Jones, War Food Administrator, reports the theoretical condition and not the actual condition as found during this inquiry. While the statement has been permitted by the committee to be placed in the hearings, it is felt that the contentions therein made as to correction of conditions are not supported in their entirety by the evidence which has been adduced and that further efforts looking toward their immediate correction are imperatively demanded.

6. Erroneous information furnished to committees of Congress

A very serious situation has been brought to light during this investigation with respect to erroneous information having been furnished to committees of Congress purportedly outlining certain conditions in the WFA with particular respect to losses and movements of commodities. Congress has every right to expect that representatives of

the executive agencies will furnish accurate information upon request and in the event it is not possible for the executive agencies to furnish accurate information as requested, Congress should certainly expect that officials of such agencies would so advise.

It has been brought out during this inquiry that requests of this committee for information to be used in the consideration of appropriations for the WFA have resulted in erroneous information. The committee was advised by Colonel Olmstead, who was then Director of the Office of Supply, in the regular appropriation hearings for 1946, which were held in February 1945, that the testimated loss from the price-support program on eggs during the late spring of 1944 was \$5,800,000. It appears significant to the committee that in reporting such a loss, Colonel Olmstead used an estimated report as of September 30, 1944, whereas it has been brought out during this inquiry that information as of February 1945 would most certainly indicate a far greater loss. A very conservative estimate submitted by investigators for this committee indicates that the loss on the egg price-support program will exceed \$11,500,000.

During the hearings held by this committee in connection with the 1946 appropriation, a request was made for a statement of losses which was furnished in accordance with the testimony of Colonel Olmstead. An examination of the hearings will definitely reflect that this statement of losses is completely inaccurate and was known to be inaccurate at the time it was submitted to this committee. It should not be necessary for this committee or any other committee to remind officials of the executive agencies that Congress has a right to expect accurate information on request.

Only a few years ago this subcommittee developed, upon an investigation, that a responsible official of one of the agencies had, in the language of the Secretary, "invented a scheme designed to thwart the submission of complete information that had been requested" by the committee, and for so doing was subsequently removed from office by the Secretary.¹ In reporting this matter to the House, the committee stressed "the importance of absolute good faith on the part of the officers and employees of the executive branch in dealing with the Congress" and stated further "that the departments, bureaus, and independent agencies of the Government are charged with responsibility to exercise vigilance to the end that all representations and facts presented to the Congress may be beyond challenge."² The committee feels that the repetition of this admonition is entirely appropriate to the current investigation.

7. Lack of coordination within the organization

Evidence has been submitted to the committee by some officials of WFA who were unable when questioned to answer fully and clearly inquiries regarding procedure and organization of the units over which they had supervision. Undoubtedly in many branches of WFA there has been confusion on the part of administrative officials as to their jurisdiction, and frequent reorganizations have resulted in confusion on the part of some employees as to the official to whom they were responsible, and there appears to have been lack of definite ascertainment by administrative authorities as to the jurisdiction and duties of the various units and sections with respect to some of the fields in which they operate. It also seems to the committee to be true that some branches of the organization have lacked proper supervision although we do not discount the insistence that properly trained and qualified

¹ See H. Rept. No. 1848, 77th Cong., p. 11.

² See H. Rept. No. 176, 77th Cong., p. 5.

supervisory personnel have been difficult to secure. The results of these defects in administration in the attitude of employees toward their job and in efficiency of the discharge of their duties is described in the evidence of Col. Ralph W. Olmstead, Director of the Office of Supply, on page 457 of the hearings. In addition, lesser officials have indicated their familiarity with this situation and have stated that they have called attention of higher officials to it without material result.

Col. Ralph W. Olmstead has been a predominating factor in the War Food Administration, particularly with respect to the purchase, distribution, and storage of food. This is not to say that others in the organization were without responsibility, but obviously Colonel Olmstead's position in the broad food-handling picture is such as to preclude the dodging of responsibility by laying the blame on a lesser official under his jurisdiction.

8. Questionable transactions

Dried egg albumen sale: One of the transactions handled by the officials of the WFA brought out during the hearings concerns the sale of dried egg albumen. The basic facts of the transaction are that 89,600 pounds of dried egg albumen were sold by the WFA to George Ehlenberger & Co. of New York City, for ultimate disposition to a Swiss firm, at \$1.30 per pound at a time that the WFA had no surplus of dried egg albumen on hand and in order to fulfill the sales contract would have to purchase in the open market at from \$1.70 to \$1.85 per pound. It has been furthermore brought out during the hearings that this sale was highly irregular in that the normal procedures were not followed, such as offering the commodity to the original vendor, publicly announcing the sale for bid or disposing of surplus commodities through a definitely approved program. It is of further interest to note that this transaction upon being discovered by the committee's investigators and brought to the attention of the officials of the WFA has resulted in efforts on the part of the WFA to cancel the contract on the basis of illegality. The committee cannot reconcile the statement of officials that the contract is now illegal and that it was legal at the time of the original negotiation and subsequent execution of the contract. To say the least, the committee feels that this transaction was extremely unbusinesslike without any logical reason for its having been made and has resulted in a definitely unnecessary loss to the Government.

The cave cooler: Another transaction which has been of tremendous interest to this committee involves the construction of cooler storage space in a cave located near Atchison, Kans. It has been stated during the hearings that the original negotiation resulted in the Government's agreeing to pay \$20,000 a year rental to the Kerford Co., operators of the limestone mine in the so-called cave; that as of the date of the hearings no formal lease has been executed; that the Kerford Co. was leasing the cave from others at a rental of \$7,100 per year; that subsequently the WFA agreed to pay the Kerford Co. a lump sum of \$40,000 to cease mining operations in the cave since such operations were interfering with the construction work and the original rental agreement provided that mining operations should continue.

It has furthermore been proven and admitted that the contract for the construction of this facility was let to J. F. Pritchard Co., of Kansas City, Mo., without benefit of bids; that the contract for the operation of the facility was let on the basis of informal bids and not let to the lowest bidder, and furthermore provided for the operation to start September 1, 1944, with an agreement that the WFA would pay a management fee no less

than \$5,000 per year; and that the facility is not yet ready for operation. It is furthermore of interest to note that the operating contract was let to the Atchison Ice Co., which is owned by the contractor, J. F. Pritchard Co., his son-in-law and a representative of the Frick Refrigeration Co., who assisted in the original survey and concurred in the recommendation that the cave should be converted to cooler storage.

The defense aid funds under the control of the Foreign Economic Administration have been used to the extent of \$1,650,000 in this facility and recently FEA refused to advance \$350,000 additional for its completion on the ground that the need for it no longer existed in the lend-lease program since adequate commercial space was available. Recently the Board of Directors of the Commodity Credit Corporation have advanced \$350,000 additional for its completion, justifying their action on possible use of the facility in the postwar period.

The justification for this facility has been given to the committee as shortage of commercial cooler space and the rapidity with which this facility could be made available. It has been noted that in the summer of 1944, when this project was first started, considerable publicity was given out to the effect that the facility would be ready for storage by September 1944. As previously stated, it will not be ready until approximately July 1, 1945. Statements have been submitted to the committee from the National Association of Refrigerated Warehouses which reflect that at the most crucial period from the standpoint of availability of cooler space, the commercial facilities could have accepted in excess of 12,500 carloads of cooler commodities and that at the present time these commercial facilities are capable of handling in excess of 31,000 carloads of commodities in cooler storage. This association has furthermore stated that the shortage of labor which has on many occasions been brought to the attention of WFA officials has been the primary cause for inability to handle additional commodities, rather than shortage of space.

The committee is not convinced as to the necessity for this facility and feels that very definite consideration should be given by officials of the WFA and Commodity Credit Corporation to abandonment of this project and recovery of as much as possible from the \$2,000,000 investment.

9. Personnel policies

Members of this committee have a definite feeling and belief that the personnel policies of the WFA have been very lax. In two instances during this investigation the committee has been advised that individuals with prior criminal records have been placed in positions of responsibility, have been recommended from time to time for promotion, even though in addition to their criminal records they have been the subject of inquiry for violation of Department of Agriculture regulations. The committee is cognizant of the fact that there has been a manpower shortage and for that reason it has not been easy to obtain as high a grade personnel as might be desired.

The committee feels, however, that the manpower shortage as such cannot excuse the placing of incompetent persons in responsible positions and, more particularly, the retention of incompetent persons after their incompetency has been determined. This is not to say that all persons in the WFA are incompetent, but the committee has been impressed with the fact that too many incompetent persons have been employed in positions of responsibility. The difficulties of efficient administration are multiplied under existing circumstances, and the committee is not in position to say that in all cases adequate trained and qualified personnel has been available. It is but fair

to state that the Civil Service Commission has had its degree of responsibility for the approval for classification under the Ramspeck Act of persons who have had prior criminal records. It is also fair to point out that since this committee began its investigation the two individuals to whom reference has been made have been separated from the service of the War Food Administration.

10. Losses under egg price-support program

The committee appreciates the fact that in a program of this size, one of whose primary purposes was to insure to the producers an adequate market price for eggs, great losses were necessarily sustained. While purchase of run-of-the-nest eggs without inspection is practiced in the trade in some sections of the country and the committee does not question but that some Members of Congress urged that this procedure be followed in the egg price-support program in an effort to assure to the producers the type of relief to which they were entitled, it nevertheless feels that there should have been the candling of eggs in order to avoid losses which could have been in this way readily averted.

The committee does not feel that Congress gave any direction or instruction to War Food Administration which could be relied upon by its officials as justifying lack of this degree of care. It is not unmindful of the fact that the price per dozen eggs paid under this method of procedure was 27 cents, whereas had the eggs been inspected the support price was 30 cents, nor has it overlooked the insistence of the War Food Administrator that the eggs purchased really cost the Government less after taking a loss on account of bad eggs than would have been the case had the full support price been paid for thoroughly inspected eggs. However, so far as the committee is concerned, it believes that at least the measure of inspection indicated should have been practiced and that the losses in the program would have been considerably reduced had that been done.

The lost 400 cars of eggs: It is of interest to the committee that the status of approximately 400 cars of eggs which are reflected on the records of the WFA to have been purchased and consigned to certain warehouses has not been definitely ascertained and that WFA apparently has no records reflecting a receipt of these eggs in warehouses. Up to a month ago they were still carried on the records as "in transit." Whether this represents a real loss or only inaccuracy in the maintenance of proper records is, of course, debatable. In either event the situation is one which does not indicate efficient administrative procedure and the need for further investigation and correction is evident.

11. Conclusion

In considering this report, it must be borne in mind that the committee had available voluminous information obtained by the investigative staff which does not appear in the hearings. In some instances it was not felt necessary by the committee to bring out in the hearings this additional information and in other and more frequent instances, the information contained in the investigators' reports was obtained from confidential sources and the committee feels that such sources should be protected.

It should also be noted that this inquiry did not attempt to cover all of the activities of the War Food Administration but was confined to a representative segment of the warehousing, storage, and record-keeping functions. The committee cannot condemn all operations of WFA on the basis of this inquiry but the sample reviewed would indicate the desirability of officials of WFA reviewing all operations for efficient administration.

It is impossible for all of the deficiencies in the operation of the WFA to be justified upon the basis of the magnitude of the over-all

operations. Many of them have been deficiencies of the type which should have at once required the most diligent efforts for their correction on the part of supervisory officials as soon as they were called to their attention, whatever the magnitude of the operations. We appreciate the fact that the WFA has indeed been faced with tremendous problems and we feel that the pride expressed by Judge Marvin Jones, present Administrator, in the course of the hearings, that no ship has had to sail without the requested food abroad and that, generally speaking, all commitments made by the WFA for delivery of commodities under the lend-lease program have been met, is thoroughly justified. WFA has met a national need in a period of extreme emergency and the over-all result has been one of which the people of this country have the right to be proud. The committee does feel, however, that these facts do not excuse errors in administration which were avoidable or which, if unavoidable, could have been corrected and were not corrected after proper notice of their existence had reached those who were in position to bring about corrective action. There appears to be no logical reason why more accurate records of WFA could not have been kept nor why the commitments of WFA could not have been met as readily or perhaps more readily if this had been done. The committee realize that it was difficult to organize the regular flow of commodities to shipside due to the irregularity of ship schedules but there appears to be no logical reason for inefficiencies in administration which have resulted in some cases in commodities which are in demand in the civilian market remaining in storage until they reach such a deteriorated condition that they are unfit for human consumption.

The committee desires to state that the present War Food Administrator, Judge Marvin Jones, has cooperated with the committee in every possible way in making available to it and to its investigators any and all of the files and records of his organization and has evidenced a willingness and a purpose to cooperate to the end that the most searching investigation possible should be made. He it was who requested investigation of alleged criminal actions of WFA officials and employees by the Federal Bureau of Investigation and has been insistent that, if possible, a report of the Federal Bureau of Investigation as to its investigation and the results thereof should be secured and inserted in the records of these hearings. He has also expressed a willingness to correct mistakes in administration wherever they have been or may be shown. It is the hope of this committee that during his further administration of WFA the evidence in these hearings and the findings in this report may be of value to him in the efficient performance of his duties.

The committee desires to state that the information obtained by the investigative staff has been made available to Congressman CLINTON P. ANDERSON, who will take over the duties of Secretary of Agriculture and War Food Administrator as of July 1, 1945. It is the desire of this committee to cooperate to the fullest extent with Mr. ANDERSON and, for that reason, he has been acquainted with all of the facts developed during this inquiry. The committee has furthermore advised Mr. ANDERSON that it will expect periodic reports of progress from him as to the remedial measures that have been taken. It is furthermore the intent of this committee to keep in close touch with the situation through its investigative staff to determine the progress being made.

PEARL HARBOR FOOD CACHES

The present inquiry has resulted in disclosing many matters bearing on the War Food Administration and on the general food

supply situation which suggest the desirability of further investigation. As an example, War Food Administrator Marvin Jones testified that at the time of Pearl Harbor, there was real fear of an attempted invasion by the Japanese, and it had been reported to him by persons who should know that, as a safeguard, great quantities of food had been located in different parts of the country without keeping any records of them. While it is possible such stocks of food, if they existed, may have since been returned to normal channels, Mr. Jones was unable to advise the committee whether that had occurred. Such supplies, if consisting of commodities now short, would be very useful if found.

UTILITY OF INVESTIGATION FOR ACTION UPON APPROPRIATION REQUESTS

The committee is impressed with the valuable results of this investigation as respecting its function of acting upon budget requests. When the regular appropriation bill for the Department of Agriculture for 1946 was under consideration by the committee and by the Congress, the investigation was still in its inconclusive stages. It did not, therefore, except in limited degree, enter into the determinations under that bill. However, with respect to future bills, the members of the committee have very definitely enlarged their familiarity with the functions of the War Food Administration and of the interrelationships of its several programs. They have also acquired a better understanding of the administrative set-up, its weaknesses, and the possibilities of its improvement through a more intelligent and sympathetic consideration by the committee. Reductions in appropriations, or more fruitful expenditures under the existing amounts, should inevitably follow.

Mr. WILLIAMS. Mr. President, if the Secretary can interpret the statements which I just read and which are contained in the report, to mean that the House committee, under the leadership of Judge Tarver, was fully satisfied with the operations of the Corporation, then either he or I just do not understand the English language. If this is a favorable report in the eyes of the Secretary of Agriculture, then I should be most interested in reading what he considers to be an unfavorable report.

Contrary to being fully satisfied, as claimed in the letter of April 5, 1946, addressed to Mr. SPENCE, I point out that not only was the committee not satisfied, but it actually recommended a further investigation. On page 4 of the report it was specifically stated:

We believe that a further investigation of them and of the operations of the War Food Administration as a whole is thoroughly justified and desirable.

We understand that an investigation is at this time under way under the jurisdiction of the Comptroller General with reference to stocks in warehouses controlled by the WFA, the results of which should be of considerable value.

The investigation to which reference is made is the investigation which was conducted by the General Accounting Office, a report of which was submitted to the Senate only on March 30, 1949, following my introduction of a resolution demanding the report. It was this report of the General Accounting Office as requested by the House committee under the chairmanship of Judge Tarver on June 27, 1945, and submitted to the Congress on March 30, 1949, which disclosed for the first time the fact that the

amount of \$366,643,129 recorded as due from sales made in the general commodity-purchase program of the Corporation could not be supported or verified.

I again remind the Senate that when the House committee, under Judge Tarver, referred to the War Food Administration, it was in each instance referring to the Commodity Credit Corporation, since, during the war period, this Corporation operated under the name of the WFA or War Food Administration under Executive Order No. 9334, dated April 19, 1943.

Throughout the report there are charges and evidence of negligence, waste, and extravagance beyond the imagination.

It was a common practice of the Corporation in disposing of surplus commodities in many instances to make no effort whatever to check the accuracy of the quantities delivered to the purchasers. They merely allowed them to go into the warehouse, take what they wanted, render their own accounting, and report the amount which they felt they owed.

There is plenty of evidence that warehouse charges have been paid without any effort being made on the part of the management to determine whether such charges were due. Reports have come in containing instances of duplications of payments having been made on charges which were submitted, some of them accepted, and many of them returned. The books of the Corporation were in such a state that it was not known how much was owed, and many times duplicate payments or no payments at all would be made.

In the case of this particular Corporation, even today Congress has not as yet seen the financial reports for the years 1946, 1947, and 1948, each of which, under the law, was required to be submitted to the Congress not later than January 15 following the ending of the fiscal year on June 30. We now know that the books were in a deplorable state for the period 1943-45. All we know about the records for the years following that period is that we are told by the General Accounting Office, which is conducting the survey, that they were found to be improved. Evidently their bookkeeping methods have not improved sufficiently to make it possible for the General Accounting Office to make annual audit in time for submission to the Congress.

Congress saw fit last year to take away from the Secretary of Agriculture exclusive control of this Corporation and place it in the hands of an independent board of directors. We have been told by the General Accounting Office that during the past year the affairs of the Corporation, under a board of directors subject to Senate confirmation, have been conducted in the best manner in which they have ever been conducted in the history of the General Accounting Office examinations.

The very least we should do is to find out in just what condition the affairs of this Corporation are for the years 1946, 1947, and 1948 before returning the control to any one man. That is one of the reasons why Congress passed the so-called Byrd-Butler bill, in which it was

provided that each corporation should be granted a Federal charter, that the directors should be confirmed by the Senate, and that they should be accountable to Congress and not to any part of the executive branch of the Government.

I urge that the conference report be rejected. If it is rejected, I shall move that new conferees be appointed with instructions to insist upon that provision of the Senate bill under which members of the Board of Directors would be confirmed by the Senate and granted proper authority to carry out the functions which we expect them to carry out.

I yield the floor.

Mr. KEM. Mr. President, I suggest the absence of a quorum.

Mr. LUCAS. Mr. President, will the Senator withhold his suggestion?

Mr. KEM. I shall be glad to withhold it.

RECESS

Mr. LUCAS. I move that the Senate take a recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 5 o'clock and 55 minutes p. m.) the Senate took a recess until tomorrow, Thursday, May 26, 1949, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 25 (legislative day of May 23), 1949:

DIPLOMATIC AND FOREIGN SERVICE

George P. Shaw, of Texas, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to El Salvador.

Pete Jarman, of Alabama, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Australia.

Nathaniel P. Davis, of New Jersey, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to Costa Rica, to be Envoy Extraordinary and Minister Plenipotentiary of the United States of America to Hungary.

Joseph Flack, of Pennsylvania, a Foreign Service officer of the class of career minister, now Ambassador Extraordinary and Plenipotentiary to Bolivia, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

IN THE COAST GUARD

The following officers of the United States Coast Guard Reserve to be commissioned in the United States Coast Guard, dates of rank to be computed upon execution of oath in accordance with regulations:

To be lieutenants (junior grade)

Jules E. Fern
Richard H. Hagadorn
Richard E. Weinacht

To be ensign

Maurice Dean Bowers

The following licensed officers of the United States merchant marine to be commissioned in the United States Coast Guard:

To be lieutenants

Emerson Hayes, Jr.
John Wilfred McCurdy
Warren F. Stevenson

To be lieutenants (junior grade)

Rollin Tabbutt Young
Cornelius George Farley
Rex Langdon Stone, Jr.

The following temporarily commissioned officer to be commissioned in the United States Coast Guard:

To be lieutenant (junior grade), to rank from January 15, 1947

Martin S. Hanson, Jr.

PROPOSED COLUMBIA VALLEY ADMINISTRATION—ARTICLE BY RICHARD L. NEUBERGER

[Mr. KEFAUVER asked and obtained leave to have printed in the RECORD an article on the Columbia Valley Authority by Richard L. Neuberger, published in the St. Louis Post Dispatch of May 15, 1949, which appears in the Appendix.]

CORRECTION OF THE RECORD

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have a correction made on page 6925 of the CONGRESSIONAL RECORD for yesterday. In the third column on that page appears this statement:

Mr. WILLIAMS. I should like to read this statement which is contained in the task-force report, appendix F, in which there is pointed out the deplorable state of affairs found in both the RFC, the Public Housing Administration, the Farm Credit Administration, and the General Accounting Office.

In that statement, beginning with the word "deplorable," the RECORD should read as follows:

the deplorable state of affairs found in the Reconstruction Finance Corporation, Federal Public Housing Administration, Commodity Credit Corporation, and other corporations.

The VICE PRESIDENT. The correction will be made.

JOHN KEITH

Mr. MCCARRAN. Mr. President, if I may have the attention of the Senator from New Jersey [Mr. HENDRICKSON], during the last call of the calendar, House bill 1057, Calendar 374, was objected to by the able Senator from New Jersey. I am advised that he has investigated the matter and is now ready to withdraw his objection. I ask unanimous consent for the present consideration of the bill.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H. R. 1057) for the relief of John Keith.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, I am very happy to state that I have carefully investigated the claim. I think it has definite merit, and I withdraw the objection.

The VICE PRESIDENT. Is there objection to the present consideration of the bill?

There being no objection, the bill (H. R. 1057) for the relief of John Keith was considered, ordered to a third reading, read the third time, and passed.

BIDS ON AIR MAIL CARRIAGE—LETTER FROM E. V. RICKENBACKER AND REPLY BY SENATOR JOHNSON OF COLORADO

Mr. BREWSTER. Mr. President, I ask unanimous consent for the insertion in the RECORD of a letter from "Eddy" Rickenbacker, president and general manager of Eastern Air Lines, addressed to the Senator from Colorado [Mr. JOHNSON], chairman of the Committee on Interstate and Foreign Commerce, dealing with a proposal for bids on the carrying of mail on five air-line systems. I ask unanimous consent also that the reply of the Sena-

tor from Colorado [Mr. JOHNSON] to the letter also be incorporated in the RECORD. There being no objection, the letters were ordered to be printed in the RECORD, as follows:

EASTERN AIR LINES, INC.,
New York, N. Y., May 25, 1949.

Hon. EDWIN C. JOHNSON,
Chairman, Committee on Interstate
and Foreign Commerce,
Senate Office Building,
Washington, D. C.

MY DEAR MR. CHAIRMAN: The questions concerning Eastern Air Lines' willingness to operate without subsidy, propounded to me by members of your committee yesterday at the completion of my formal statement, prompt me to offer for the record a supplement to my remarks.

In order that there may be no doubt as to the meaning of my statement yesterday, Eastern Air Lines, Inc., makes the following proposals to your committee, and to all interested agencies of our Government:

1. Eastern Air Lines will, if given the opportunity, operate the domestic system of National Airlines, Inc. (between New Orleans, Florida, and New York), on Eastern's non-subsidy mail rate. National received \$1,289,000 for carrying 323,000 ton-miles of mail in 1948. At Eastern's mail rate the annual cost to the Government would be \$212,000, saving the taxpayers \$1,077,000 per year.

2. Eastern will, if given the opportunity, operate the entire system of Delta Airlines, Inc. (between Dallas-Fort Worth, Atlanta, Charleston, Chicago, Miami), on Eastern's non-subsidy mail rate. Delta received \$2,754,000 for carrying 927,000 ton-miles of mail in 1948. At Eastern's mail rate the annual cost to the Government would be \$603,000, saving the taxpayers \$2,151,000 per year.

3. Eastern will, if given the opportunity, operate the entire system of Capital Airlines, Inc. (between Great Lakes, Washington, Norfolk, Memphis, New York, Pittsburgh, Atlanta, Birmingham, New Orleans) on Eastern's non-subsidy mail rate. Capital received \$4,905,000 for carrying 884,000 ton-miles of mail in 1948. At Eastern's mail rate the annual cost to the Government would be \$575,000, saving the taxpayers \$4,330,000 per year.

4. Eastern will, if given the opportunity, operate the entire domestic system of Chicago and Southern Airlines, Inc. (Chicago, Detroit, New Orleans, Houston), on Eastern's non-subsidy mail rate. Chicago and Southern received \$1,881,000 for carrying 482,000 ton-miles of mail in 1948. At Eastern's mail rate the annual cost to the Government would be \$313,000, saving the taxpayers \$1,568,000 per year.

5. Eastern will, if given the opportunity, operate the system of Colonial Airlines, Inc. (Montreal, New York, Washington), on Eastern's non-subsidy mail rate. Colonial received \$1,178,000 for carrying 82,000 ton-miles of mail in the above-mentioned area in 1948. At Eastern's mail rate the annual cost to the Government would be \$53,000, saving the taxpayers \$1,125,000 per year.

Eastern Air Lines, Inc., hereby offers to operate the entire domestic systems of any one or more of the five above-mentioned air carriers at a non-subsidy rate.

According to my calculation, the five above-named air carriers carried 2,701,000 ton-miles of mail in the above-mentioned areas in 1948 and received an average of \$4.45 per ton-mile for doing so, aggregating \$12,077,000 received from the Government by them in 1948; whereas at Eastern's rate which would range from 60 cents to 65 cents per ton-mile, Eastern could carry the 2,701,000 aggregate ton-miles for a total of \$1,676,000, effecting a total annual saving to the taxpayers of \$10,401,000.

With assurance of my high regards, I am,
Yours sincerely,

E. V. RICKENBACKER,
President and General Manager.

MAY 26, 1949.

Capt. E. V. RICKENBACKER,
President, Eastern Air Lines, Inc.,
New York, N. Y.

DEAR CAPTAIN RICKENBACKER: The phenomenal proposal made in your letter of May 25, to operate the domestic systems of five air lines in the territories which Eastern Air Lines now serves, and to carry the mail over them at Eastern's "no subsidy" mail rate, is most challenging. I am sure that you are aware that it cannot be effectuated by this Committee, and that under the Civil Aeronautics Act, the Civil Aeronautics Board is the proper agency to consider it. I am, therefore, forwarding your letter to the Board for their recommendation. Doubtless the law would need to be amended to authorize them to direct a merger or consolidation.

During our investigation pursuant to Senate Resolution 50, we will examine the advisability of changing certain of the fundamental tenets of the Civil Aeronautics Act of 1938, as amended, which would be required by your proposal. In order that we may have a better understanding of the precise nature of your suggestion, will you clarify several matters.

You do not suggest in your letter how you propose to obtain control of these air lines so as to accomplish the desired end. It would be interesting to know whether it would be through merger, purchase, suspension of certificate, or by other means.

The description of routes by cities and areas given in your letter does not appear to include the "entire system" of each of the air lines mentioned. Therefore, would you render present-day service to each city on the routes of the five carriers mentioned accepting the present CAB route service restrictions, and would you give each city at least the same amount of service as the present companies now render? Or, to put it another way, would you contemplate a reduction in the total unduplicated miles operated? Does your proposal contemplate taking over all of the personnel and property of the other companies? Would you purchase their stock and assume the payment of their debts and other obligations? I appreciate that your letter does not constitute an acquisition proposal, but these matters are important to understand the significance of the proposal.

During the course of your testimony you will recall that Senator Brewster discussed the advantages and feasibility of Eastern Air Lines acquiring and operating the Northeast Air Lines system. Northeast Air Lines is conspicuously absent from your proposal, and as this would seem to be a logical system to consider if the general principles of your proposal are adopted, will you advise us whether your proposal includes Northeast Air Lines, in conjunction with others or alone, and if not, the restrictions and subsidy mail rate that you would recommend.

I might say that the Committee is not yet convinced that there is no element of subsidy in the mail rate now being paid Eastern Air Lines. At least the Civil Aeronautics Board was unable to state what portion of the "service rate" which Eastern and other carriers receive was compensatory and what portion was subsidy.

You may be sure the Committee will give full consideration to the principles involved in your proposal. Your letter will be made part of the record.

Sincerely,
EDWIN C. JOHNSON,
Chairman, Interstate and Foreign
Commerce Committee.

ADDITIONAL REVENUE FOR THE DISTRICT OF COLUMBIA—CONFERENCE REPORT

Mr. HUNT. Mr. President, I send to the desk a conference report on House

bill 3704, and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. The conference report will be read for the information of the Senate.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 3704) to provide additional revenue for the District of Columbia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 128, 129, 130, 131, 132, 133, 134, 135, 136, and 137, and agree to the same.

Amendment numbered 35: That the House recede from its disagreement to the amendment of the Senate numbered 35, and agree to the same with an amendment as follows: Strike out "\$1.50" wherever it appears in the Senate amendment and insert in lieu thereof "\$1.25"; and the Senate agree to the same.

Amendment numbered 127: That the House recede from its disagreement to the amendment of the Senate numbered 127, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

"Sec. 505. Subsection (a) of section 23 of the District of Columbia Alcoholic Beverage Control Act, as amended, is further amended to read as follows:

"Sec. 23. (a) There shall be levied, collected, and paid on all of the following-named beverages manufactured by a holder of a manufacturer's license and on all of the said beverages imported or brought into the District of Columbia by a holder of a wholesaler's license, except beverages as may be sold to a dealer licensed under the laws of any State or Territory of the United States and not licensed under this Act, and on all beverages imported or brought into the District of Columbia by a holder of a retailer's license, a tax at the following rates to be paid by the licensee in the manner hereinafter provided:

"(1) A tax of 15 cents on every wine-gallon of wine containing more than 14 per centum of alcohol by volume, except champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (2) a tax of 22½ cents on every wine-gallon of champagne or sparkling wine or any wine artificially carbonated, and a proportionate tax at a like rate on all fractional parts of such gallon; (3) a tax of 75 cents on every wine-gallon of spirits and a proportionate tax at a like rate on all fractional parts of such gallon; (4) and a tax of \$1.25 on every wine-gallon of alcohol and a proportionate tax at a like rate on all fractional parts of such gallon."

And the Senate agree to the same.

LESTER C. HUNT,
J. HOWARD McGRATH,
JOE MCCARTHY,

Managers on the Part of the Senate.

JNO. L. MCMILLAN,
HOWARD W. SMITH,
PAUL C. JONES,
GEORGE J. BATES,
JOSEPH P. O'HARA,

Managers on the Part of the House.

The VICE PRESIDENT. Is there objection to the present consideration of the conference report?

There being no objection, the report was considered and agreed to.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes.

Mr. KEM. Mr. President, this bill provides that the Directors of the Commodity Credit Corporation who have the authority for directing the business and the affairs of a \$5,000,000,000 corporation shall be appointed by and hold office at the pleasure of the Secretary of Agriculture. The bill which was passed by the Senate and sent to conference provided that the Directors of the Commodity Credit Corporation should be appointed by the President, by and with the advice and consent of the Senate. The Senate conferees receded from that provision in the conference, and the provision giving the Secretary the sole power of appointment was adopted in its stead.

Mr. President, I have very grave doubt as to the constitutionality of the proposed bill. Article II, section 2, clause 2 of the Constitution of the United States provides that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, in the courts of law, or in the heads of departments."

The proposed law vests the right of appointment in the Secretary of Agriculture. So the question is whether the Directors of this \$5,000,000,000 Corporation are inferior officers within the meaning of this provision of the Constitution.

I believe it has been generally understood that inferior officers, as the statement is used in that provision, mean those who do not exercise policy-making powers. In this case we are dealing with officers who have policy-making powers over a vast field of governmental affairs. They have the policy-making power over the expenditure of \$5,000,000, or any part thereof. I do not believe that by any stretch of the imagination officers having such authority can be fairly considered to be inferior officers. Certainly they cannot properly be regarded as officials who do not exercise policy-making powers. For some reason, the bill gives the Senate the right to confirm the appointments of the members of an advisory board, which has no policy-making power, no authority, but merely can meet at stated intervals and give the Secretary of Agriculture the benefit of such advice as its members may see fit to offer. Mr. President, I believe this

provision violates the spirit of the provision of the Constitution to which I have referred, if indeed it does not violate the express letter of the Constitution itself.

The Members of the Senate will recall the very celebrated statement of Aaron Burr, then Vice President of the United States, who as such was the Presiding Officer of the Senate, to the effect that—

If the Constitution be destined ever to perish by the sacrilegious hands of the demagogue or the usurper, which God avert, its expiring agonies will be witnessed on this—

That is to say, the Senate—
floor.

Mr. President, if we, the Members of this body, are not prepared to assert our constitutional prerogatives and responsibilities under the Constitution, it is clear that no one else is going to assert them for us.

A great many thoughtful Americans have been disturbed recently at the constant enhancement of the power of the executive branch of the Government at the expense of the legislative branch. We are dealing here with a glaring instance of that sort of thing. I wish to recall several instances of that kind which have occurred rather recently. During the days when he was Secretary of State, Gen. George C. Marshall one day simply observed at a press conference that the Government of the United States approves and accepts the recommendations of the London Conference for the disposition of western Germany. The question as to the disposition of western Germany was debated at great length in the House of Commons, in London, and in the Legislative Assembly in Paris. Yet the head of an executive department of the United States Government brushed the whole thing aside, and announced ex cathedra that a certain proposed government had been accepted on behalf of the United States. That was one press conference.

Another press conference to which I wish to invite attention took place some time ago in the White House. The reporters who were attending the President of the United States on that occasion were told that he had the sole power to halt strikes affecting the Nation's welfare, without additional authority. He said, in effect, that the powers of the President are sufficient to meet any national emergency. A somewhat bemused reporter asked him where those powers could be found. The President replied that the reporter should read the history of the country. He said that whenever an emergency has arisen, the President has found authority. He added that in time of emergency he felt that the President has immense power to do what is right for the country. In other words, Mr. President, under this theory he has the right in time of emergency to bypass entirely the Congress of the United States, to do what is right for the country.

I do not wish to belabor the point, but I should like to invite the attention of the Senate to a third instance in which the constitutional powers, prerogatives, and authority of the Senate have been

bypassed in recent times. Mr. Truman's predecessor in the White House was the inventor, I believe, of the "executive agreement" dealing with foreign affairs, by which it became unnecessary to secure the advice and consent of two-thirds of the Senate to important international agreements, for which such a vote in the Senate would be required if submitted as a treaty.

Mr. President, this body has not always been entirely inert and unattentive to its constitutional responsibilities. This morning I had occasion to look up some of the occasions on which the rights and prerogatives of the Senate have been asserted by Members of this body. I see the senior Senator from Michigan [Mr. VANDENBERG] sitting in the Chamber. I read a very striking statement he made a few years ago about the way in which the processes of democracy were being undermined by the failure to recognize and carry out the constitutional provisions with reference to the powers and duties of the Senate. Similarly, I found a very striking report made by the Senator from Nevada [Mr. McCARRAN], in which he asserted the right of the Senate to confirm the appointment of all important officials of the Government. He introduced a bill, Senate bill 575, and submitted a report on it, dated April 14, 1943. That bill provided that the Senate should have the right to confirm the appointments of all officers receiving compensation in excess of \$4,500. Attached to the report is a table showing the large number of officials in various branches of the Government who were receiving compensation in excess of that amount.

The report says:

There was a very good reason for including in the Constitution a method by which appointments in the Federal Government could be controlled. That reason was well known to those who drafted the Constitution, with the taste of despotic tyranny still on their lips. That reason has not changed. It is still with us today. In fact, it is of even greater importance now than in all the history of our Government. Specifically, it has been ably summed up in the words of Abraham Lincoln: "Government of the people, by the people, and for the people shall not perish from the earth."

In arguing for the bill and in summing up its conclusions, the committee, in its report, says this:

Your committee believes that the method provided in the bill for revesting control in the people, through their legally elected representatives, is unobjectionable because it in no way interferes with the war effort; it disrupts no agency of Government; it lays no withering touch upon the merit system established by act of Congress under the classified civil service, but rather strengthens and upholds that system; it implements and assures the selection of competent persons of unquestioned ability to administer the laws of the United States; and, at the same time, it assures that appointments shall hereafter be made in the manner prescribed by the Constitution. In addition to this, it insures reasonable control and supervision by the people, through their representatives, of the Government itself and of its operations.

When a bill such as the pending one comes before the Senate, one cannot help but recall that the Constitution of the United States begins with the very significant words, "We, the people." I know

that in some quarters it is the fashion now to talk of the Constitution as being outdated, and perhaps a number of people are not particularly interested in what the founding fathers said about the Constitution. But I want to read what Alexander Hamilton said in the *Federalist* about this power, this authority, this duty of the Senate to confirm important officials of the Government. I read from the *Federalist* of April 1, 1788:

To what purpose then require the cooperation of the Senate? I answer, that the necessity of their concurrence would have a powerful, though in general a silent, operation. It would be an excellent check upon a spirit of favoritism in the President, and would tend greatly to prevent the appointment of unfit characters from State prejudice, from family connection, from personal attachment, or from a view to popularity. In addition to this it would be an efficacious source of stability in the administration.

It will readily be comprehended that a man who has himself the sole disposition of offices would be governed much more by his private inclinations and interest, than when he was bound to submit the propriety of his choice to the discussion and determination of a different and independent body; and that body an entire branch of the legislature.

Mr. President, let us look at the *RECORD* to see what reasons are given by the proponents of the bill for disregarding the advice of the founding fathers in this respect and bypassing the Senate in the appointment of important officials of the Government. I read, from page 6923 of the *CONGRESSIONAL RECORD* of yesterday, a colloquy between the chairman of the Senate Committee on Agriculture and Forestry, making the report for the conferees, and the Senator from Missouri, as follows:

Mr. KEM. I should like to ask the Senator why, in the judgment of the conferees, it was advisable to depart from the usual and customary principle of confirmation by the Senate of members of an important executive board.

Mr. THOMAS of Oklahoma. The main reason is that the House would not consent to confirmation by the Senate. We were forced to accept that provision. We spent four sessions in trying to arrive at an agreement on two or three points. This is one point upon which I am sure the House of Representatives would not have yielded.

I observe that the report on behalf of the House is not signed by three of its managers, so there must have been considerable dissent in the conference with respect to the bill. The colloquy continues:

Mr. KEM. Without going into detail, will the Senator from Oklahoma outline the reasons advanced by the conferees on the part of the House for taking that position?

Mr. THOMAS of Oklahoma. As I understand the situation, it is this: The Congress passes laws directing the Secretary of Agriculture to do certain things, and we hold him responsible for carrying out the duties thus imposed upon him by the laws passed by Congress.

The position taken by the House of Representatives, as I understand it, is that the Congress must give the Secretary of Agriculture the power to carry out the functions imposed upon him by the laws passed by Congress, and that in order to be able to do so, he must have a Board upon which he can rely.

The Constitution vests in the President the primary duty to carry out the laws of the United States, and yet the members of his Cabinet are themselves subject to confirmation by the Senate. The Secretary of Defense is confirmed by the Senate, as is every commissioned officer in the armed forces. I have never heard it contended that this prevents the President from properly discharging his duties and responsibilities as Commander in Chief of the armed forces, or that there was any lack of flexibility in the operation of the armed forces merely because officers of the Army must be confirmed by the Senate.

So, Mr. President, it seems to me that the reasons assigned for disregarding this long-settled practice in the case of the very powerful board in question are insufficient. I believe the Senate should reject the conference report, and should undertake, in regular course, to have agreed upon, a bill which will recognize the traditional constitutional prerogatives of the Senate.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Missouri yield to the Senator from Nebraska?

Mr. KEM. I am glad to yield.

Mr. WHERRY. What is the experience of the distinguished junior Senator from Missouri relative to the work of advisory boards? My reason for asking the question is, it seems that those who favor the provision requiring confirmation of the Advisory Board by the Senate do so on the ground that, in the light of the work done by other advisory boards, it is unnecessary to confirm members of such a board as the one in question. I may not have stated the case exactly, but, in a sense, the answer given by proponents of the measure is that it is unnecessary for the Congress to confirm such appointees. That is suggested by the Secretary of Agriculture in connection with appointments to this permanent board. What is the experience of the junior Senator from Missouri relative to advisory boards?

Mr. KEM. My experience and observation indicate that they do not have any authority at all, that they are debating societies or discussion groups. They meet and discuss questions. Their deliberations are academic and largely futile, unless they are given some power and authority. Our discussions in the Senate would likewise be largely futile if on some day we could not reach the point of voting and deciding the issue. Similarly, the estimable gentlemen from various parts of the country constituting this advisory board will never in the nature of things reach a point when they can vote and decide a question.

Mr. WHERRY. Is it not also a fact that usually advisory boards are called in after a policy has been developed? The policy, of course, is submitted to them, but is it not a fact that it is more or less sold to the advisory board after it has been developed, and all they do is hastily to approve what has been done, and then go back to their respective homes? Is not that about as much force and effect advisory boards can have?

Mr. KEM. That certainly is their force and effect, so far as my own observation is concerned. But I should like to invite the Senator's attention to the fact that if, by any chance, the advisory board did not approve the policy submitted, the policy would go into effect regardless of the opinion of the advisory board.

Mr. WHERRY. That was the next question I wanted to ask the Senator. Even though the policy should be sold to the board, it simply adds prestige to what the Department has done, because, in the final analysis, even though the board should disagree, it has no right to change the policy.

Mr. KEM. On the point of prestige, I hope that no one will be inclined to think that an effort is being made to make fun of the Senate or shall we say make a joke at the expense of the Senate in this bill, which solemnly confers on the Senate the power of confirming members of the Advisory Board, but denies to the Senate any right or any say in connection with the members of the Board which controls the Commodity Corporation.

CONFIRMATION OF SUNDRY NOMINATIONS IN THE ARMED SERVICES

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. KEM. I yield to the Senator from Maryland.

Mr. TYDINGS. Mr. President, as in executive session, I ask unanimous consent that sundry nominations in the Army, Navy, and Air Force be confirmed and the President notified thereof. May I say that these recommendations come from the Committee on Armed Services unanimously, and that no objection has been filed in connection with any of the names appearing on the list. Most of the nominations are in minor grades. A great many of those involved are graduates of Annapolis and West Point, and the services are anxious to have the nominations confirmed so that commissions can be issued to them, to be available at the time these men are graduated.

Mr. WHERRY. Mr. President, reserving the right to object, let me say that another point is that it saves the printing costs to a great extent, and follows the customs and practice which have heretofore been indulged in with reference to such appointments.

Mr. TYDINGS. I thank the Senator. The reason why the Senator from Maryland interrupts proceedings and asks indulgence of his colleagues in this manner is that it saves a great many thousands of dollars in the printing bill.

Mr. KEM. May I ask the Senator from Maryland a question?

Mr. TYDINGS. Certainly.

Mr. KEM. I should like to ask whether these men whose names the Senator has just presented for confirmation are as important as are the Directors of the Commodity Credit Corporation, which is carrying on a \$5,000,000,000 business.

Mr. TYDINGS. Of course, I am not familiar with all the ramifications of the bill which the Senator has been discussing, but the Senator's question almost

answers itself. The Senator from Maryland would be compelled to reply that he does not think most of them are as important. Some of them, however, are in the top military level.

The PRESIDING OFFICER (Mr. VANDENBERG in the chair). Is there objection to the request of the Senator from Maryland? The Chair hears none.

Without objection, the nominations are confirmed, and the President will be immediately notified.

Mr. TYDINGS. Mr. President, will the Senator yield further?

Mr. KEM. I yield.

Mr. TYDINGS. Mr. President, I ask that the colloquy which has just occurred be printed at the end of the remarks of the Senator from Missouri.

Mr. KEM. I object. I would rather have it exactly where it occurred, otherwise it may lose such point as it has.

Mr. TYDINGS. I withdraw my request.

The PRESIDING OFFICER. Objection is made, and the request is withdrawn.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

The Senate resumed the consideration of the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes.

Mr. WHERRY. Mr. President, will the Senator from Missouri yield further?

Mr. KEM. I yield.

Mr. WHERRY. Let me ask the Senator from Missouri this question: The permanent Board provided for in the bill will be on the job each and every day of the year; at least, it is supposed to be. Is that correct?

Mr. KEM. That is correct.

Mr. WHERRY. They, in turn, also help to formulate policies, do they not? Is not that the intention of the bill?

Mr. KEM. That brings up a very important distinction. If the directors are appointed by the President for a definite term and are confirmed by the Senate, they have a vested right in their position, and if a question arises on which they do not agree, they can stick their feet in the sand. The Supreme Court will sustain them in their position to the extent that they cannot be fired. But the persons appointed by the Secretary specifically and directly, will hold office, under the terms of the bill, at the pleasure of the Secretary, and he can kick them out any day if they should say something he does not like.

Mr. WHERRY. I thank the Senator for his answer to the question, because I think there is a vast difference, as he has pointed out, between the work of the permanent committee and of the advisory committee, in the respect to which the Senator has so eloquently referred in his answer.

Mr. KEM. In my own view, the advisory committee is wholly without either authority or power. That was admitted by one of the able apologists for the

committee report yesterday on the floor, who finally, after a series of questions, said they had no authority.

I should like to invite the Senator's attention, if he does not mind, to the colloquy which occurred yesterday. I wish to read from page 6924 of the CONGRESSIONAL RECORD, where the colloquy is shown between the senior Senator from Vermont [Mr. AIKEN] and the junior Senator from Missouri. The senior Senator from Vermont was asked a series of questions as to whether the advisory committee had any authority. The senior Senator from Vermont replied at considerable length. Finally this question and answer appear:

Mr. KEM. I realize the Senator from Vermont is not on the stand, and I do not want to press him unduly, but if the Advisory Board has any authority I wish the Senator from Vermont would advise us what it is.

Mr. AIKEN. It has no authority.

Mr. WHERRY. Mr. President, will the Senator yield for another question?

Mr. KEM. I shall be glad to yield to the Senator from Nebraska.

Mr. WHERRY. I ask, very respectfully, that the junior Senator from Missouri answer this question: Is it not true that if Congress confirms the appointments on this Board, we have not only fulfilled the constitutional processes, which I think we should not abdicate, but does it not place the Director in a little different position with respect to his responsibility, regardless of his integrity, granting that he will do what he feels is just—does it not place him under a somewhat different responsibility than if he were solely responsible to the Secretary of Agriculture?

Mr. KEM. I would say "Yes"; but I should like to strike out the word "Somewhat," and definitely and categorically say "Yes," because he is assured tenure of office.

Mr. WHERRY. That is correct. He is not only responsible to the Secretary of Agriculture but, in turn, he is certainly responsible to the Senate which confirmed his nomination.

Mr. KEM. And to the American people.

Mr. WHERRY. And to the American people.

Mr. KEM. He is an officer representing the American people, appointed by the President, and confirmed by the elected representatives of the people.

Mr. WHERRY. Will the Senator yield for another question?

Mr. KEM. I am glad to yield.

Mr. WHERRY. Why should not these directors be confirmed?

Mr. KEM. I spent some time yesterday trying to bring out any reason, and I am still unable to answer the Senator's question. I see on the floor the able and distinguished Senator from New Mexico, who is one of the managers on the part of the Senate. Perhaps the Senator from New Mexico would like to answer the question.

Mr. WHERRY. Mr. President, I have a deep respect for the former Secretary of Agriculture, and I certainly do not want to engage in any prolonged colloquy with him, but I feel that it might be ap-

propriate to get the views of the Senator from New Mexico, inasmuch as this issue was brought up on the floor of the Senate prior to the time the bill was passed, and the argument was advanced, relative to the permanent board, that it would be difficult to get career men to serve because possibly they would not be confirmed if they were appointed by the Secretary.

Mr. KEM. Mr. President, I ask unanimous consent that the Senator from New Mexico be permitted to answer the question which the Senator from Nebraska has put to the Senator from Missouri.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. WHERRY. Mr. President, I should like to ask the distinguished Senator if one reason advanced is not that a career man appointed from the Department of Agriculture might have difficulty in being confirmed.

Mr. ANDERSON. Mr. President, I appreciate the attitude of the Senator from Nebraska. I should like to answer his question in my own time, and I had hoped to have opportunity to speak next.

Let me say now, however, that I recognize the feelings of the Senator from Missouri. He expressed them strongly and steadily before the Committee on Agriculture, and I have great respect for his opinion on this matter. But experience has taught us that the best people on the Board of Directors, who handle the day-by-day operations, are drawn from the Department of Agriculture. Those people have more experience than anyone else who could be brought into the Department.

When we had this matter under discussion on a previous occasion, I tried to say that Mr. Gage, of the Tobacco Branch, had far more experience than any one individual who might be taken from any other place. The same might apply to the directors of the other branches. It was my feeling that from an operating standpoint those men of long years in the Department of Agriculture could serve well as members of the Board. Under the bill they are not subject to confirmation. Those who would be subject to confirmation would be the members of the Advisory Committee, who would lay down policies for the Secretary. We had in mind the possibility of enlisting such men as Will Myers, of Cornell University. I know of no finer person, but I doubt very much if Will Myers would permit his name to go before the Congress for appointment to an administrative job within the Department. We can, however, guarantee him the security of tenure, which the Senator from Missouri is talking about, by putting him on the Advisory Committee.

I do not wish to take much time of the Senator.

Mr. WHERRY. Mr. President, will the Senator from Missouri ask unanimous consent that I may ask a further question?

Mr. KEM. Mr. President, I ask unanimous consent that the Senator from New

Mexico and the Senator from Nebraska be permitted to continue the colloquy as they see fit.

The PRESIDING OFFICER. Without objection, the order is made.

Mr. WHERRY. Let me propound this question to the distinguished Senator. What objection is there to requiring confirmation? I agree 100 percent with the idea of getting career men on the permanent board. But why should they not be confirmed? It seems to me that if the distinguished Senator from New Mexico had been selected by the present Secretary to serve on the permanent board, the Senate would unanimously have confirmed his appointment. I am asking the distinguished Senator whether he feels that a career man would have greater difficulty in being confirmed in the Senate than would some other person?

Mr. ANDERSON. Yes, exactly; for the very reasons the Senator from Missouri suggested. He said that if they did not like what the Secretary was doing, they could stick their feet in the sand and stand there. The important responsibility for carrying out the price support program rests upon the shoulders of the Secretary of Agriculture. We put it there, and it would be wholly wrong to set up a board which could resist the Secretary of Agriculture while he was trying to do what the Congress said he should do.

Mr. WHERRY. Would any one attempt to persuade the Secretary to do otherwise than what the Congress said he should do? If he were not doing what the Congress said he should do, would not the permanent members of the board be the ones to pass on that?

Mr. ANDERSON. But he might not be doing what was contrary to the wishes of Congress. It would be a matter of judgment, and the Secretary, relying on his own conscience and the advice of the staff, might decide to seek the advice of the board. Members of the board, as has frequently happened, may have different ideas. If they are placed in an independent status, where they proceed without regard to the final wishes of the Secretary of Agriculture, then I say the possibility arises that the Secretary of Agriculture could better do the work.

Mr. WHERRY. Then the Senator feels that when the Secretary of Agriculture decides on a policy, the permanent board should go along with him, even though members of the board might feel that the Secretary should not initiate the policy?

Mr. ANDERSON. I think so. I do think he should give himself the benefit of their advice. I am happy to say that I found the Board of the Commodity Credit Corporation differing with me on a couple of occasions. I once yielded to their votes. In the other case I followed my own judgment.

Mr. WHERRY. That Board was confirmed by the Senate, was it not?

Mr. ANDERSON. No; there never has been a board confirmed.

Mr. WHERRY. The permanent board?

Mr. ANDERSON. No; it was selected solely by the Secretary of Agriculture.

Mr. KEM. The Board previously was confirmed.

Mr. ANDERSON. I do not refer to the last 12 months. The boards with which I dealt were not confirmed.

Mr. WHERRY. If the present board had been confirmed, would the difficulty which has come about have arisen?

Mr. ANDERSON. After the law was signed, the Senate adjourned, and the names were not sent to the Senate. Subsequently, I think, the Senate was in special session, and no names were sent. No names have been sent to this date. I am unable to explain that, but I think that no names have been sent.

Mr. WHERRY. In spite of the remarks of the distinguished Senator from New Mexico, I cannot yet understand why there is objection to confirmation of career men, because it is my feeling that if the name of a career man were sent to the Senate, he would be confirmed.

I ask the distinguished Senator this question: Should there not be a board which could exercise independent judgment? That is what the board is for, so that if the Secretary initiates a policy with which a member of the board does not agree, he should be able to express himself, and not have to agree with the Secretary, if he is so inclined.

Mr. KEM. Mr. President, I should think that anyone who believes in the American system of checks and balances would have difficulty in saying otherwise. Of course a dictatorship is more efficient. If we want to get an absolutely efficient Government, we can do away with the Constitution of the United States and set up a Hitler or a Mussolini, and give him all authority and all power, and for a time at least have efficiency. But the rights of the people would not be protected as they are under the Constitution of the United States.

Mr. WHERRY. Mr. President, will the Senator yield for one more question?

Mr. KEM. I yield.

Mr. WHERRY. The Senate confirms officers in other departments, does it not?

Mr. KEM. Yes; it does.

Mr. WHERRY. The question of military advice is much more important at times than the advice of a board such as the one we are discussing, is it not?

Mr. KEM. I should certainly think so.

Mr. WHERRY. That might apply in situations much more acute than one involving a board such as the one we are discussing. If the Senate should abdicate its function of confirming these appointees in the case of the Department of Agriculture, why should it not, on the same theory, abandon the confirmation of Under Secretaries under the Secretary of Defense, and other important appointive officers?

Mr. KEM. In my judgment it is just a case of the camel getting its nose under the tent. The policy started here, and the process of continually chipping away the authority, the prerogatives, the dignity, and the prestige of the United States Senate will be continued. Let me say that it is passing strange that Members of the Senate themselves should be here seeking to abdicate their constitu-

tional function by urging instead of resisting this process.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. ANDERSON. Mr. President, I am greatly interested, of course, in the subject now before the Senate. I regret that I shall perhaps take more time than I should, but I do want to comment on the situation, because I think the question before us is very fundamental and is going to be with us for a long time.

The distinguished Senator from Missouri [Mr. KEM], for whose integrity I have the greatest respect, has spoken of a system of checks and balances, and finds himself unable to understand how a Senator can stand on this floor and advocate the refusal of the right of confirmation by the Senate. I say to him that in administrative responsibility one man must do a job, and in administering the far-flung empire of the Department of Agriculture, if we allow its authority to be divided in a half a dozen different directions we will never have an administrative unit that is worth considering. Therefore, I say to the Senate that the place for consideration of checks and balances is when the Senate confirms the Secretary of Agriculture and when the Senate confirms his associates.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEM. I should like to ask the distinguished Senator from New Mexico if the form of government he is advocating consists of the President, heads of the executive departments confirmed by the Senate, but with no further intervention on the part of the Senate at all?

Mr. ANDERSON. Not with respect to the armed services, but otherwise nearly exactly what the Senator has said, and I will tell the Senate why.

Mr. KEM. Why should there be intervention in connection with the armed services?

Mr. ANDERSON. A wholly different situation exists with respect to the armed services than with respect to the agency we are discussing.

Mr. KEM. In what respect?

Mr. ANDERSON. In the case of the armed services, we are dealing with career people, and we have always taken the position that those who are to lead our children in time of war should have their nominations confirmed by the Senate. One of the first men I appointed to the Military Academy was the son of very distinguished Republican parents. I appointed him because when my boy got ready to join the Army I knew he would not ask the politics of his commanding officer.

Mr. KEM. Are there not career men in the Department of Agriculture?

Mr. ANDERSON. Oh, yes; but I think they are in a quite different situation.

Mr. KEM. I ask the Senator if there are no sons of Republican parents in the Department of Agriculture.

Mr. ANDERSON. Yes. Sometimes I think there are too many. But I agree with the Senator that there are.

Mr. KEM. Then why the distinction between the Department of National De-

fense on the one hand and the Department of Agriculture on the other?

Mr. ANDERSON. I tried to explain that. I think it is a question of leading a boy into battle where he may lose his life.

Mr. KEM. I understand the reason for it is that the men in the armed forces are career men, and many of them sons of Republican parents.

Mr. ANDERSON. No; I did not say that at all. But it is all right.

Mr. KEM. The record will show what the Senator said.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I should like to ask the Senator from New Mexico how he reconciles his view that we should not confirm these five men who are going to control a \$5,000,000,000 corporation, when at the same time the Senate will have to confirm a Postmaster who may have to handle only two or three thousand dollars of receipts in a year?

Mr. ANDERSON. I do not know that I can answer to the Senator's satisfaction, but I shall try to deal with the situation we are considering.

Mr. WILLIAMS. Does not the Senator from New Mexico agree with me that in time of war the directors of this corporation will be holding more responsible positions than will many of the officers in the armed services whom the Senate confirms?

Mr. ANDERSON. Yes, I agree.

Mr. WHERRY. Mr. President, will the Senator yield to me?

Mr. ANDERSON. I yield to the Senator from Nebraska.

Mr. WHERRY. I am vitally interested in the answer the Senator from New Mexico gave to the Senator from Missouri with respect to the military situation. The Senator from New Mexico differentiated between the importance of those connected with the military, and civilians. The Senator from Delaware brought up a question relative to confirmation of postmasters. And, considering Government officials who are confirmed by the Senate, the Secretary of Labor, the Secretary of Commerce, the Secretaries of the various other departments, and other officials in charge of civil functions throughout the Government are all confirmed by the Senate. Therefore, it is not enough simply to differentiate between the military and, for example, officials in the Department of Agriculture. Because all through the whole system of government we find that civilian officials, appointed by the President, are confirmed by the Senate, do we not?

Mr. ANDERSON. Yes, but I hope that there is some differentiation made. The distinguished Senator from Delaware [Mr. WILLIAMS] yesterday asked the senior Senator from Vermont [Mr. AIKEN] the following question:

How does the Senator from Vermont reconcile that action—

Concerning the Hoover report—with the action taken here?

He had previously said that he understood that the Senator from Vermont

was an enthusiastic supporter of the Hoover Commission Report which was adopted in the Senate a few days ago.

How does the Senator from Vermont reconcile that action with the action taken here? Is not the taking away from the Senate of the power to confirm the directors a direct contradiction of the recommendations of the Hoover Commission?

Mr. President, I think we should find out what the Hoover Commission reported. First, I should like to refer to the Hoover report which deals with Federal business enterprises specifically. I turn to page 10, to recommendation 1 (f) which reads as follows:

That where boards or part-time boards are established they be wholly advisory and be appointed by the President.

That is the Hoover report. What the Senator from Delaware read from was a recommendation of the task force, and it had nothing to do with the recommendation of the Hoover Commission.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Does the Senator from New Mexico mean to say that the Board of Directors is a part-time board or a full-time board of directors? He read from the recommendation of the Hoover Commission, in which the expression "part-time directors" was used. I am talking about the full-time Board of Directors.

Mr. ANDERSON. Let me read the language again:

That where boards or part-time boards—

Both of them—

are established they be wholly advisory.

Now, I read that and say, to paraphrase Paul, "That which ye have worshiped without knowing, come I to declare unto you."

The Hoover report has made that recommendation.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Do I understand the Senator to interpret that language to mean also the RFC Board of Directors?

Mr. ANDERSON. I come to that in a moment.

Mr. WILLIAMS. That is a board; is it not?

Mr. ANDERSON. Yes. I shall show what happens to the RFC, if the Senator will be patient with me.

Then I want to turn next to section 1 (g) as follows:

That where these corporations are located in the departments or major Government agencies the heads of such agencies or representatives designated by them serve as ex officio chairmen of their advisory boards.

That is from the Hoover document Federal Business Enterprises, page 10.

Notice that the Senate conferees by putting in "an advisory board" have followed to the very letter the recommendations of the Hoover Commission on Reorganization of the Government, and the conference report, by limiting the actual board of directors to employees of the Department surely follow the recommendations in the Hoover Report.

But for additional information I desire to turn to page 8 of the report on Federal Business Enterprises, under the heading, "Defects in the organization of Government corporate enterprises," and consider paragraph (c) which lists the defects. Paragraph (c) reads:

Most of these agencies are within executive departments, but some have independent status and their activities are not adequately coordinated with those of the executive branch.

That is what I was trying to say to the distinguished Senator from Nebraska, the minority leader; that where there are independent agencies their activities are not coordinated with the executive branch, and therefore that is held to be bad.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. Yes.

Mr. WILLIAMS. Does not the Hoover Commission in its report go further and say, with respect to the Commodity Credit Corporation, that either one of two programs should be adopted; either the board of directors should be free from the need for confirmation, and the activities of the Corporation should be made a part of those of the Department of Agriculture, and that the Secretary of Agriculture should come before Congress with respect to matters connected with it, or else the board of directors should be set up as an independent board?

Mr. ANDERSON. Yes, there is a recommendation about that which I thought was in the Task Force Report, not in the Hoover Commission Report.

Mr. WILLIAMS. Is not what the Senator from New Mexico is proposing at this time a consolidation of the two reports, taking out of each of the reports that of which he approves?

Mr. ANDERSON. No. I am reading only from the Hoover Commission Report. The Senator from Delaware read from the recommendations of the Task Force. Let me go a step further. I have here the recommendations respecting the Department of Agriculture. Look at recommendation No. 2 on page 8 of the report on the Department of Agriculture, in which this statement is found:

All officials below the Under Secretary and the Assistant Secretaries should, where possible, be appointed from the career services.

Under the Hoover Commission scheme the Commodity Credit Corporation and all its activities are moved under the Commodity Adjustment Service. Under the Hoover report they are not merely independent boards. They are not only under the Secretary, but they are under the Under Secretary; they are under two Assistant Secretaries; under the Administrative Assistant to the Secretary. Below that comes the Commodity Adjustment Service.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. In that same recommendation do they recommend that we carry over the four and three-quarter billion borrowing power, and confer that upon the Secretary of Agriculture exclusively?

Mr. ANDERSON. I think the Senator is quoting from the task force report.

Mr. WILLIAMS. No; I am asking the question. Does the Senator find that recommendation in the book from which he is reading?

Mr. ANDERSON. I do not find it in the book. Perhaps the Senator can find it.

Mr. WILLIAMS. It is not in that book.

Mr. ANDERSON. No; it is in the task force report.

Mr. KEM. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEM. Does the Senator from New Mexico understand that the Hoover report recommends that the corporate device be continued, but that the authority of the Senate to confirm the directors of the corporation be denied?

Mr. ANDERSON. I do not think I would want to interpret the Hoover report in that respect.

Mr. KEM. That is the very crux of the question. As I understand the section which the Senator read, it simply says that it is thought that the heads of the departments should have greater authority over the operations within the departments, and that the Government corporations should be broken down. Here we are continuing the device of the Government corporation. We are adhering to the corporate fictions, but we are not giving the Senate the customary and traditional power to confirm the directors. That involves more than merely a question of form, as the questions of the Senator from Delaware suggested. We have a corporation which transacts its business independently of the Congress, without definite, specific appropriations when it makes commitments. Furthermore, it has a borrowing power. It can borrow money, on the credit of the United States, without any intervention of Congress at all. What we are doing is maintaining the corporate fiction, but we are doing away with the right of the elected representatives of the people to govern the way their money is spent.

Mr. ANDERSON. I merely say that the Hoover report all the way through is to the effect that when boards of that nature are established, they should be advisory boards appointed by the President.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I should like to refer to the recommendations of the Hoover report—

Mr. ANDERSON. May I have the page of the Hoover Commission report from which the Senator is about to read? I am afraid the Senator is about to read from the task-force report.

Mr. WILLIAMS. I wish to read from page 48 of the task-force report. I should like to know when the idea suddenly developed that the task-force reports have no value.

Mr. ANDERSON. It did not suddenly develop. It has been known by everyone who received any of the Hoover Commission reports, from the very beginning. Ask the distinguished Senator

from Vermont [Mr. AIKEN]. He knows all about it.

Mr. WILLIAMS. I am asking the Senator from New Mexico—

Mr. ANDERSON. There is a wide difference in the recommendations as between the task-force reports and the Hoover Commission report.

Mr. WILLIAMS. I do not believe the Senator will find anywhere in the Hoover report a denial of that principle.

Mr. ANDERSON. The Senator will not find anywhere in it an affirmation of it, either.

Mr. WILLIAMS. Yes.

Mr. ANDERSON. Very well. Will the Senator show me where, in the Hoover report—

Mr. WILLIAMS. The Hoover Commission recommends that such boards act in an advisory capacity. The Senator will not find anywhere in the Hoover report a recommendation that those boards have the power to borrow money in the name of the United States Government.

I read from page 48 of the task-force report of the Hoover Commission:

It is recommended that the Commodity Credit Corporation be continued solely as a nonstock financing agency under the control of the Administrator. Further, there should be substituted for the Corporation's present borrowing power and capital stock a revolving fund capital and annual appropriations to replace, to the extent Congress deems necessary, impairments of such capital if and when they occur.

If we are going to carry this Corporation as a part of the office of the Secretary of Agriculture, we should repeal its borrowing power and make it come before Congress annually for its appropriations.

Mr. ANDERSON. I am very glad the Hoover Commission saw fit to disregard that recommendation.

In final summary, let me say that today there was placed upon the desks of Senators the concluding report of the Hoover Commission—

Mr. KEM. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. KEM. A few minutes ago I asked the Senator if the Hoover Commission approved what is being done here, namely, a maintenance of the corporate fiction, but without the right of the elected representatives of the people to confirm the directors of that corporate entity. I understood the Senator to say that he would not undertake to construe the Hoover report in that respect.

Mr. ANDERSON. That is correct. I will not attempt to say what the Hoover report did, because it never directly passed upon that question.

Mr. KEM. The Senator does not want to be understood as contending that the Hoover report justifies or recommends what is being done in this bill, does he?

Mr. ANDERSON. No. I am happy to say to the Senator that my observations were based upon the observations made yesterday, which were completely contrary to the Hoover report.

Mr. KEM. So the Senator is not advocating what the Hoover report recommends, and he does not want the Congress to understand that he is.

Mr. ANDERSON. In the large chart of the reorganized executive branch, showing the major purposes, departments, and agencies, it will be found that under the Department of the Treasury there are the Export-Import Bank, the Federal Deposit Insurance Corporation, and other agencies, but the Commodity Credit Corporation will not be found as a separate and independent agency. It is actually merged into the Department of Agriculture.

Mr. KEM. That is another thing. That is a question for another day. But this bill does not merge it, and I do not think anyone ought to understand that it does.

Mr. ANDERSON. It comes pretty close to it.

Mr. KEM. It merely merges the authority, but it continues the borrowing power, and it continues the authority of the corporate fiction to dispose of the people's money. We are continuing the power to deal with the people's money, but we are refusing to permit the elected representatives of the people to confirm the persons who are doing it.

Mr. ANDERSON. The man who has the final word on the expenditure of the people's money is a member of the President's cabinet, who is confirmed by the Senate, and who is finally responsible for every transaction of the Commodity Credit Corporation.

I have mentioned cabinet officers. I am very sorry that in the discussion yesterday we entered into the discussion of a pamphlet circulated by the Grain Branch, and it was emphasized that that was the language of the Secretary of Agriculture.

I refer to page 6930 of the CONGRESSIONAL RECORD for yesterday, in the middle column, where we find the following:

Mr. WILLIAMS. Again I emphasize that I am reading the language of the Secretary of Agriculture.

I think the distinguished Senator from Vermont answered that statement pretty well, because it is not the language of the Secretary of Agriculture at all.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I should like to point out to the Senator that the language to which he is referring was read into the RECORD from a Department of Agriculture bulletin. The question is this: Does the Senator from New Mexico mean to say that we confer power on the Secretary of Agriculture, but that he does not want to assume responsibility for the bulletins which are issued and the actions which are taken?

Mr. ANDERSON. Not at all.

Mr. WILLIAMS. Does not the Senator agree with me that with power goes responsibility?

Mr. ANDERSON. Certainly.

Mr. WILLIAMS. If the Secretary of Agriculture wants to assume power over the Commodity Credit Corporation, he must be ready to assume the responsibility for its actions. The action of the Department of Agriculture is clearly set out in these bulletins, so far as concerns the long-range program for Government

storage. This particular bulletin was issued with the consent of the Secretary, and with the knowledge of the Secretary. It was not withdrawn, to my knowledge, until yesterday when we began to discuss it on the floor of the Senate. Suddenly the Secretary tried to deny any responsibility whatever for it.

Mr. ANDERSON. I think the Senator should have the correct information before he makes a charge like that against the Secretary of Agriculture. I remind the Senator that when I tried to find out what he was reading, he said—and I quote again from page 6930:

Mr. WILLIAMS. Again I emphasize that I am reading the language of the Secretary of Agriculture.

I submit that this bulletin was prepared in the Grain Branch and submitted to Ralph Trigg, the head of the Production and Marketing Administration. Mr. Trigg, acting in behalf of the Secretary of Agriculture, turned down the program. The Grain Branch was not satisfied. A special committee was appointed, headed by Mr. Ballou, as the distinguished Senator from Vermont [Mr. AIKEN] pointed out. That committee again considered the program and rejected it. The Grain Branch still thinks it is a good idea.

I hope we have not yet reached the point where every idea advanced by every person in every Government department immediately becomes the idea of the executive head of that department and their words become his.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. FEAR in the chair). Does the Senator from New Mexico yield to the Senator from Delaware?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. What was the date of the conference they had with Mr. Ballou?

Mr. ANDERSON. I am not sure. But Mr. Ballou was here some 3 or 4 weeks ago. The time when Mr. Trigg turned it down was nearly 2 months ago.

Mr. WILLIAMS. But it seems that it is desired to have the authority taken away from Mr. Trigg, so apparently, if the conference report is adopted, his rejection will not mean anything.

My point is that as late as 3 weeks ago they were still considering this document in the Department of Agriculture, and at the same time they had not told anyone in Congress what they were planning.

Mr. ANDERSON. My guess is that they will continue to consider it for many years, so long as there are people there who believe in it.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. FERGUSON. Will the Senator from New Mexico advise us what disposition was made of the report which was read from, as shown at page 6930 of yesterday's CONGRESSIONAL RECORD?

Mr. ANDERSON. I am not informed. I understand it was first circulated in the Department. I obtained the best information regarding it that I could, which is that it was first circulated only inside

the Department by the Grain Branch, in order to get the reaction of other branches. After Mr. Trigg disposed of it, it was then mailed out by the Grain Branch to other organizations, to try to get their opinions. Then a committee met to consider whether it was or was not a good program. I am not certain to what extent it was circulated.

Mr. FERGUSON. Did the committee have the power to turn down such suggestions?

Mr. ANDERSON. No; it simply met to consider its circulation.

I think a wholly wrong interpretation—although I am sure it was honestly reached—has been placed on one sentence in the report. These words were read yesterday:

The need to expand these facilities to a recommended capacity of at least 500,000,000 bushels is more fundamental than the problem of making existing legislation work.

I think it might be well to read the remainder of that statement, which is as follows:

It is based on the recognition that the economic soundness of any price-support program for agriculture depends on how effectively supplies can be stabilized at prices fair to producers and consumers.

The impression was left that the Department wanted to ignore the provisions of the law; but actually the Department recognized that a price-support program is not effective unless there is some control upon supply. I believe at least that explanation should be given.

Yesterday a great deal was said about a criminal who was in the Department, a man by the name of Hatch. It was said that he was in the Department, but that he should have been fired. Mr. President, I agree that he should have been fired. I think he should have been allowed to resign in 1943, when he tried to resign, but when an employee of the Department of Agriculture refused to accept his resignation.

I am very happy to say that one of the most influential men I know came to me shortly after my appointment as Secretary of Agriculture and asked me if I would continue the appointment of a certain person in the Department of Agriculture, and I was happy to inform him that I would do everything I could to see to it that Col. Ralph Olmstead was fired from the Department of Agriculture.

Subsequently, the Army proposed to send him to Germany and put him in charge of the food supplies there. I called General Somervell and said to him that if that were done, I would feel compelled to release to the newspapers all the information I had about that man.

Yes; it is true that he has gone to China, but he is not doing there what the Senator from Delaware said yesterday he is doing. He is a financial adviser to the Government of China. My information, after looking through the records in the Department of Agriculture, indicates that he should be excellent in that sort of work.

As for Mr. Hatch, he was appointed a clerk in the Government service in 1934. At that time he gave no indication of his prior record. He was examined by the civil service, and was covered into civil-

service status. He subsequently resigned.

I say to the distinguished Senator from Delaware that he is quite correct when he says that man should not have been continued in the Department. I do not question that at all. But I think the Senator from Delaware is quite in error when he infers that that man was an employee of the Commodity Credit Corporation, and that the head of that Corporation should have known all about him.

The record shows how the questions in that regard were put. Mr. Tarver said:

This man Hatch is not an employee of the Commodity Credit Corporation, but of the War Food Administration.

Mr. Hancock answered:

Judge, that is difficult to answer. Please do not misunderstand me, but I do not know exactly who are the employees of the Commodity Credit Corporation.

That statement was stressed in the debate yesterday as if it were a terrible confession for any man to make.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes; after I have reminded the Senator from Delaware that there were 5,000 employees of the Commodity Credit Corporation and 55,000 employees of the War Food Administration; and yet someone thinks it is strange that the administrator did not know the names and records of all 60,000 of those people.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I should like to ask the Senator from New Mexico to continue reading from the same record. If he will, he will find that the objection I made was, not that the head of the Corporation did not know all the employees, but because in answer to the next question he said he did not know whether he had authority to fire from among those employees a man of whom he did not approve. That was my point.

Mr. ANDERSON. I am sorry if I misunderstood the Senator's objection. Certainly Frank Hancock should not have been expected to know who that man was.

I shall concern myself for a little time with the Brent Spence letter. I realize that perhaps I may thus initiate a long discussion which possibly I should avoid; but I wish the Senate to understand that there was some basis and justification for what the Secretary of Agriculture had written to Representative SPENCE, of Kentucky. Perhaps it may be well to refer again to what was said in the first paragraph of the letter. It refers to the argument over the \$366,000,000 of receivables on the books of the Commodity Credit Corporation. The Secretary of Agriculture, in replying to Representative SPENCE, said:

These wartime operations were the subject of an extensive investigation by a House committee under the leadership of Judge Tarver. The then War Food Administrator, Marvin Jones, laid all pertinent facts concerning these transactions before the committee. All questions of fraud or loss to the Government were fully explored, and the committee was fully satisfied that there was no evidence of either.

On yesterday, the Senator from Delaware proceeded to quote from the early Tarver report, which had been prepared early in the year 1945, and was ordered printed on June 27, 1945. What the Secretary of Agriculture was referring to in the letter was that the comment made in that report had resulted in a long investigation. A great many auditors and accountants were assigned to that task. Some very reliable people were brought down to direct it; and Judge Malcolm Tarver on the first day of October 1945 inserted into the record a letter written by me to him on September 28. On the basis of that letter, Judge Tarver replied on October 2, and suggested that there be some further hearings on the matter.

The Department of Agriculture's representatives appeared many, many times before the House committee, day after day, explaining the points at issue. Those hearings were in some degree secret. I do not know what the official records of the House of Representatives show as to those hearings; but I do know that at the conclusion of the hearings, Judge Tarver expressed himself to me and to other members of the Department of Agriculture as being completely satisfied; and it is to that that the Secretary of Agriculture refers in the letter, when he says that there was no evidence of fraud or loss to the Government.

Lindsay Warren has written to the Secretary of Agriculture a letter dated May 2, in which he says:

However, it can be definitely stated, now that lend-lease settlements have been arranged, that no purpose would be served by further investigating the balance due June 30, 1945, from other governmental agencies.

I have previously said, Mr. President, that I shall be happy to have anybody go into that record. I should be happy, not because it concerns me, but because it concerns the administration of Judge Marvin Jones, who in my opinion is as fine a man as ever served the Government of the United States. I felt a little sorry in behalf of Marvin Jones that I was not able to pursue that examination. We were overburdened with every kind of work. It would have cost a quarter of a million dollars. I think it is too bad that we did not proceed then to wipe out all of this cost billing and come down to accounts, but we did not, and now, if the Senate is going into it, that will be fine, but I merely remind Senators also that the General Accounting Office has been stating in answer to questions that there is no evidence of fraud in connection with these items. In connection with the \$366,000,000, I do not say that there were not many, many items brought up as to which it looked as if fraud had taken place in the handling of transactions, but that is not involved in the \$366,000,000, so far as I have ever been able to find out.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Is it not a fact that the reason the General Accounting Office says there was no evidence of fraud is that in the \$366,000,000, for which they have submitted books to us as being unaccounted for, certainly they cannot as-

sert whether there is fraud, when they do not know what happened to it. On the other hand, I do not think it will be found that the General Accounting Office will make a positive statement, assuming all responsibility, that there may not be some fraud uncovered.

Mr. ANDERSON. No; I do not think they would make that statement, either, in view of the great variety of operations in the Commodity Credit Corporation. I think that would be very foolish if they said that, with the possibility that one little item may show up as to which there is a very unusual situation. We have encountered such situations. I found out while I was in that responsibility, that a man was depositing unusual sums of money in a bank in another city. We sent investigators. We removed him from the Government service. We tried to bring him to trial, but a grand jury would not indict him. I suppose the Department should be blamed for the fact that his record is still clean, but the Department did its very best to bring him to trial, and the Department did its very best in some of the other cases. There are cases well known in the Department as to which the Department has made recommendation after recommendation looking to the prosecution of people, some of them prominent in this country, but prosecution has never yet occurred, principally because local grand juries do not think there is sufficient evidence, indicating that we were trying not only to prosecute acts which were provable, but even acts which smelled bad. But the General Accounting Office has had some things to say about the Commodity Credit Corporation. It does say on page 1 of the report:

The field examination was concluded in December 1946, and in general the report has been written as of that date.

They are dealing with things back to June 30, 1945, 4 years ago, although the field work was not finished until December 1946. The country was still at war on June 30, 1945. I wonder whether it would be permissible, Mr. President, to ask that at this point there might be inserted two and a one-half pages of comment from the Comptroller General, of which I shall read only the first line or two:

It should be pointed out that, notwithstanding the accounting deficiencies discussed, the officials of the Department of Agriculture and the Corporation recognized the desirability of having the General Accounting Office perform a so-called commercial-type audit of its financial transactions. Representatives of the Department working jointly with those of the General Accounting Office drafted legislative provisions enacted into the act of February 28, 1944 (58 Stat. 105), which contained a provision directing the Comptroller General to make such an audit for each fiscal year commencing with the fiscal year ending June 30, 1945. In February 1945 requirement for a similar audit were imposed with respect to all Government corporations.

It further says:

The Corporation has given increased recognition to the importance of sound accounting policies and procedures, has augmented its accounting staff and appointed a comptroller in April 1947 who was made an officer of the Corporation on May 12, 1947.

All through the report which the General Accounting Office has submitted there is recognition of a very sincere desire to work things out. Mr. Simpson, of the Accounting Office, in answer to one question by the distinguished Senator from North Dakota [Mr. Young] said:

The question of dishonesty is not raised at any point in our report. It is a matter of inefficiencies in the accounting set-up and the accumulated errors. It is a matter of accumulation of work, getting behind, and errors that have been built up over the years, rather than any dishonesty.

Mr. WILLIAMS rose.

Mr. ANDERSON. Does the Senator from Delaware desire me to yield?

Mr. WILLIAMS. No. I assume the Senator from New Mexico was going to ask unanimous consent to have that inserted in the RECORD. I have no objection. I was merely going to ask the Senator whether he would also include in the unanimous consent request that there be inserted in the RECORD with those comments—I think it well that those comments be put in the RECORD—the conclusions which Mr. Warren wrote in the same report, found on page 73. I have it here and could supply it.

Mr. ANDERSON. I congratulate the Senator. I have never been able to receive a copy of the report. I congratulate the Senator upon obtaining it.

Mr. WILLIAMS. It required a Senate resolution in order to get it, I may say, but we got it.

Mr. ANDERSON. It would almost seem as though it would take less than that to get it for the man who had to bear most of the responsibility. I congratulate the Senator upon obtaining it. I have never been able to do so.

Mr. WILLIAMS. The Senator has it now. To save inserting it, since it is very short, I shall be glad to read it, if the Senator cares to have me do so. Mr. Warren concluded with the statement:

The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express an opinion that the financial statements prepared by the Corporation present fairly the financial position of Commodity Credit Corporation.

Mr. ANDERSON. The only statement I have ever been able to get was that the audit of the Commodity Credit Corporation—I have it again just handed to me, from the Comptroller General—does not disclose fraud existed, neither does it disclose that fraud did not exist. I am glad the Commodity Credit Corporation finally got a chance to explain what happened to this money.

Let me merely say that as of May 25 the Commodity Credit Corporation issued High Lights of CCC Loans, Purchases, and Sales Activities, which is an up-to-date presentation of its financial position as of that date, March 31, 1949, and again, it will do it as of June. The Commodity Credit Corporation has published a complete report of its financial condition and operation. To hear certain portions of the discussion we have had here, one would think it was not possible to get any sort of report from the Commodity Credit Corporation within less

than 3 or 4 or 5 years. Yet here is a complete report of financial operations as of March 31, 1949.

Mr. WILLIAMS. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Delaware?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Is not the Senator aware of the fact that the criticism was made that the books had not been audited by the General Accounting Office, and that they were behind some 3 to 4 years?

Mr. ANDERSON. Yes.

Mr. WILLIAMS. I do not think the Senator from New Mexico is trying to infer that the books have been audited and that reports for the years 1946, 1947, and 1948, are before the Senate at the present time.

Mr. ANDERSON. No; the books have not been audited.

Mr. WILLIAMS. Does the law not specifically state that audits shall be made and submitted to the Congress on the 15th of January each year?

Mr. ANDERSON. Yes. Is the Senator now saying the Commodity Credit Corporation should make it? It says the General Accounting Office shall make it.

Mr. WILLIAMS. It says the General Accounting Office shall make it, yes, but the General Accounting Office takes the position frankly that the books are in such deplorable state that they have been unable to bring them up to date.

Mr. ANDERSON. I may only say to the Senator that the first auditor who came in to talk to me was not a very well qualified auditor. I would not let him touch a book of my own business under penalty of death, and if that is the reason why books are in such deplorable state, we can understand it. He did not know there was a difference between a physical and a fiscal inventory, in this matter, and he had to go back to find out what the difference was.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I am very much interested in the Senator's statement. Could the Senator from New Mexico tell me whether that individual who was so incompetent is on the Government pay roll at the present time?

Mr. ANDERSON. I do not know, but he never got back in my office.

Mr. WILLIAMS. Does the Senator from New Mexico care to state the name of the man, so that we may find out?

Mr. ANDERSON. No.

Mr. WILLIAMS. If we have a man on the pay roll such as that, I think the Senator should join with me in finding out something about it. I am very much interested in that statement.

Mr. ANDERSON. I do not know his name, but by going back to the permanent register, we could find out who he was.

Mr. WILLIAMS. I am very much interested.

Mr. ANDERSON. I now wish to come to the portion which deals with the fact or with the charge that the Commodity Credit Corporation and the War Food

Administration were one and the same. I refer now to page 6942, where I had asked the Senator from Delaware whether the comments he was making referred to the War Food Administration or to the Commodity Credit Corporation, with respect to these awful things that Judge Tarver's committee had reported. The Senator replied:

It refers to the War Food Administration, which was operating the Commodity Credit Corporation under a Presidential directive during the period from 1943 to 1945. They are one and the same Corporation.

That matter rose three or four times later in the discussion. Each time the Senator from Delaware said:

Yes; and the War Food Administration, I repeat, was the same as the Commodity Credit Corporation—

This is on page 6945, the first column—during the period from 1943 to 1945. If that is not true, then I ask the former Secretary of Agriculture, What did the Commodity Credit Corporation do? Did it function during that period?

Mr. President, the President of the United States issued an Executive order—

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. Yes.

Mr. WILLIAMS. Does the Senator remember that I asked unanimous consent to have inserted in the RECORD, either last evening or at a later date, that Executive order?

Mr. ANDERSON. I have it with me.

Mr. WILLIAMS. Is the Senator aware of the fact that I read into the RECORD the date of that order?

Mr. ANDERSON. I am not only aware of that, but I have the Executive order with me. The statement of the Senator was as follows, and I am reading from page 6942, third column, of the CONGRESSIONAL RECORD:

It refers to the War Food Administration, which was operating the Commodity Credit Corporation under a Presidential directive during the period from 1943 to 1945. They are one and the same Corporation.

Let us see what the President did. I read from Executive Order 9322:

It is hereby ordered as follows:

The Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the Commodity Credit Corporation, and the Extension Service are hereby consolidated within the Department of Agriculture into an Administration of Food Production and Distribution, to be under the direction and supervision of an Administrator.

Mr. President, it is seen that the Extension Service in every State of the Union was in exactly the same category as was the Commodity Credit Corporation. Will the Senator from Delaware now rise and read what was written about the War Food Administration and say it applies to the Extension Service, to every extension service anywhere in the country? Of course, he will not.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. What is the number of that Executive order?

Mr. ANDERSON. It is No. 9322.

Mr. WILLIAMS. What is the date of it?

Mr. ANDERSON. March 26, 1943.

Mr. WILLIAMS. Will the Senator be so kind as also to submit the Executive Order 9334, following that?

Mr. ANDERSON. Yes; I shall be glad to submit it for the RECORD. I desire to refer to it, but I ask unanimous consent that it may be printed in the RECORD at this point.

There being no objection, the Executive order was ordered to be printed in the RECORD, as follows:

EXECUTIVE ORDER NO. 9334

WAR FOOD ADMINISTRATION

Executive Order No. 9322 of March 26, 1943, entitled "Centralizing and Delegating Authority With Respect to the Production and Distribution of Food," is hereby amended to read as follows:

"By virtue of the authority vested in me by the Constitution and the statutes of the United States, particularly by the First War Powers Act, 1941, as President of the United States and Commander in Chief of the Army and Navy, and in order to assure an adequate supply and efficient distribution of food to meet war and essential civilian needs, it is hereby ordered as follows:

"SECTION 1. The Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the Commodity Credit Corporation, and the Extension Service, together with all their powers, functions, and duties, are hereby consolidated within the Department of Agriculture into a War Food Administration, to be administered under the direction and supervision of a War Food Administrator. The Administrator shall be appointed by the President and shall be directly responsible to him.

"SEC. 2. All powers, functions, and duties of the Secretary of Agriculture (a) under Executive Order No. 9280 of December 5, 1942, (b) under title IV of Executive Order No. 9250 of October 3, 1942, (c) which relate to labor and manpower under orders of the Economic Stabilization Director or the Chairman of the War Manpower Commission, (d) which relate to or which have heretofore been exercised through or in connection with the agencies, including corporations, consolidated by section 1 of this order, and (e) which relate to personnel, property, and records transferred by section 3 of this order, are transferred to and shall be exercised and performed by the War Food Administrator (in addition to the powers, functions, and duties conferred upon him by Executive Order No. 9328 of April 8, 1943); but the Secretary of Agriculture shall continue as chairman of the interdepartmental committee set up by section 7 (a) of Executive Order No. 9280, as a member of the War Production Board as provided in section 7b of Executive Order No. 9280, and as the American representative on the Combined Food Board. The War Food Administrator shall be a member of the said interdepartmental committee, which shall be advisory to him. He shall also be alternate American representative on the Combined Food Board.

"SEC. 3. For use in connection with the exercise or performance of the powers, functions, and duties consolidated and transferred by this order, so much of the unexpended balances of appropriations, allocations, and other funds available to the Department of Agriculture for such purposes, as the Director of the Bureau of the Budget shall determine, and all of the personnel, property, and records used primarily in the administration of such powers, functions and duties, are hereby transferred to the War Food Administration.

"SEC. 4. In addition to the powers and authority granted by this order, and in order to carry out its purposes, the Secretary of Agriculture and the War Food Administrator, to the extent necessary to enable them to perform their respective duties and functions, shall each have authority to exercise any and all of the powers vested in the other by statute or otherwise; and the exercise of any such power by either of them shall be deemed to be authorized and in accordance with this order, and shall not be subject to challenge by any third party affected by the exercise of the power on the ground that the action taken was within the jurisdiction of the Secretary of Agriculture rather than the War Food Administrator, or vice versa.

"SEC. 5. Any provision of any Executive order or proclamation conflicting with this Executive order is superseded to the extent of such conflict. All prior directives, rules, regulations, orders, and similar instruments heretofore issued by any Federal agency relating to matters concerning which authority is vested in the War Food Administrator by this order shall continue in full force and effect unless and until modified or revoked by orders or directives issued by or under the direction of the War Food Administrator pursuant to authority vested in him."

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, April 19, 1943.

Mr. ANDERSON. I wish to read from it. I shall skip portions of it, because the entire order will be set forth in the RECORD:

The Food Production Administration (except the Farm Credit Administration), the Food Distribution Administration, the Commodity Credit Corporation, and the Extension Service—

I do not see the Senator rise—
together with all their powers, functions, and duties—

Will the Senator advise me why he wanted this Executive order in the RECORD along with the other one?

Mr. WILLIAMS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in the body of the RECORD, immediately following the remarks of the Senator from New Mexico, the report of examination of the Commodity Credit Corporation for the period ending June 30, 1943, which was submitted to the Congress of the United States.

Mr. ANDERSON. May we have some idea of what it involves? Is it 5,000 pages?

Mr. WILLIAMS. No; it is not 5,000 pages. I will say that this report was submitted to the Congress on March 30. It was ordered printed as a House document, but, for some unknown reason, it was not printed. I think it is unfair to the Senate that we stand here debating, I saying one thing and the Senator from New Mexico saying another. Let us lay the record before the country.

Mr. ANDERSON. If it is being printed as a public document, I certainly object.

Mr. WILLIAMS. I think that answers the question.

Mr. ANDERSON. I withdraw my objection. I am amazed at the Senator from Delaware.

Mr. WILLIAMS. I renew my request to have the document printed in the

body of the RECORD immediately following the remarks of the Senator from New Mexico.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ANDERSON. Mr. President, I have tried very hard to avoid personalities. I do not want anyone to infer that I was afraid to have the report printed in the body of the RECORD. I shall be glad to enter into a discussion of this matter with the Senator. I do not believe his statements will be borne out by the facts.

Mr. WILLIAMS. My request had no relation at all to any personal reference to the Senator from New Mexico. I was merely surprised by the objection, because we have inserted such documents many times in the past. I was also surprised when we were unable to get the report from the printer; but, for some reason, it has not been available. The Senator from New Mexico expressed his regret that he had not been able to read it.

Mr. ANDERSON. I am glad to have it available. I think when it is being printed as a public document at a tremendous cost, it should not be inserted in the RECORD. It would cost many dollars a page. But I have no objection. All I want to say is there is not and cannot be any contention that the War Food Administration, Commodity Credit Corporation, and the Extension Service are one and the same things. To be sure, War Food Administration took over control of the Commodity Credit Corporation, but that did not make them one and the same thing. There were approximately 5,000 employees in the Farm Credit Administration. There were approximately 55,000 in the War Food Administration. They cannot be regarded as one and the same thing.

In closing, Mr. President, I come to the item appearing at the bottom of page 6949 and at the top of page 6950 of the RECORD. I should like to read again from the statement of the Senator from Delaware:

The very least we should do is to find out in just what condition the affairs of this corporation are for the years 1946, 1947, and 1948, before returning the control to any one man. That is one of the reasons—

I am sure the Senator from Virginia [Mr. BYRD] is interested in knowing this, and if the Senator from Nebraska [Mr. BUTLER] were present he would be equally interested—

That is one of the reasons why Congress passed the so-called Byrd-Butler bill, in which it was provided that each corporation should be granted a Federal charter—

And I agree with that—
that the directors should be confirmed by the Senate—

I shall be happy to have the Senator from Delaware read that section of the Byrd-Butler bill which provides that they shall be confirmed by the Senate—

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. In a moment. I read further:

and that they should be accountable to Congress—

I shall be glad to have the Senator from Delaware read that section of the bill—

and not to any part of the executive branch of the Government.

I shall be glad to have the Senator from Delaware read the section which provides that the directors are not to be accountable to any part of the executive branch of the Government.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. I see the Senator from Virginia on the floor, and I should like to ask him to reply as to whether it was the intention—

Mr. ANDERSON. I shall not yield the floor for that purpose. I should like to have the Senator from Delaware show me any provision in the Byrd-Butler bill that a director must be confirmed by the Senate. I shall be glad to have the Senator show me any section providing that a director is accountable to Congress, and where it is shown that the directors of the Commodity Credit Corporation are not to be accountable to any part of the executive branch of the Government. I should like to have him show me the provisions if he can produce them.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. WILLIAMS. Does the Senator from New Mexico mean to say that as he understands the law the directors are not accountable to Congress?

Mr. ANDERSON. I have submitted to the Senator a very simple request. He stood on the floor of the Senate and assured every Member of the Senate that the Byrd-Butler bill provided that each corporation should be granted a Federal charter. I agree with that. Then he said, "The directors shall be confirmed by the Senate." I ask him to show any section of the Byrd-Butler bill which so provides. That is a simple request.

Mr. WILLIAMS. I asked the Senator from New Mexico if he would not yield to the Senator from Virginia.

Mr. ANDERSON. The Senator from Virginia is very careful in his language, and I do not believe the Senator from Virginia would make such a statement.

Mr. WILLIAMS. I am suggesting to the Senator from New Mexico to try him and see.

Mr. ANDERSON. This statement is on the authority of the Senator from Delaware.

Mr. WILLIAMS. My interpretation of the Byrd-Butler bill is that all Federal corporations should have a Federal charter, and that the boards of directors should be confirmed by the Senate and accountable to the Congress; and I still feel that way.

Mr. ANDERSON. To sum up, Mr. President, the first statement made by the Senator from Delaware was that this was contrary to the Hoover Commission report. I have tried to point out that it was not contrary to the Hoover Commission report, that it may be silent on it, but that what it says regarding boards is that they should be advisory.

The Senator said, when one pamphlet was introduced, that it was the language

of the Secretary of Agriculture. It was not the language of the Secretary of Agriculture.

Then as to this man who has the criminal record, I submit that that sort of a situation can happen. It was remarkable, as rapidly as we were recruiting people, that we got only two such people. I regret that they were there. I admit they should have been fired, but, nonetheless, when a man turns in a report, and the Civil Service Commission certifies him as eligible for appointment, I think it is pretty hard to reject that sort of person.

The farmers of the Nation, I am sure, are not going to be happy about many of the things which have been said concerning the matter under consideration. I believe they have been somewhat proud of the Commodity Credit Corporation. In all the discussions we have heard nothing about the fact that the cotton-support program, from the day it started until the day I left the Department, at least—I am not familiar with the reaction after that—had not cost the people of the country a penny. Instead of that, on one cotton-selling program alone we acquired profits of nearly \$200,000,000, which the General Accounting Office is willing to certify.

I have not forgotten that some of those who were supposed to be under the control of the Secretary of Agriculture are among those who went to the Philippines when we were trying to restore the copra industry. I have not forgotten that private enterprise had tried to revive that industry and had given it up. They said, "Perhaps you can do something with it." I have not forgotten that the United States Commercial Company, a subsidiary of the RFC, with directors who have never been confirmed by the Senate, turned the task over to the Commodity Credit Corporation, and instead of losing \$5,000,000, which private industry was prepared to lose, the \$5,000,000 was salvaged, and \$4,000,000 of profit was turned into the Treasury of the United States.

People are forgetful of the fact that millions upon millions of dollars were accumulated by the handling of products during the period of the war. I know there were losses, but sometimes the after sight is not so encouraging. The same House committee whose report was inserted in the RECORD yesterday did complain about conditions. Among other things, they complained about the cave at Atchison, Kans. They called me before them and demanded that I close the cave immediately as one of the first official acts I should take. Early in my administration I spoke at Stillwater, Okla., and while there I went to Atchison, Kans., to take a look at the cave. It seemed to me too bad that the Government of the United States should invest \$2,000,000 in an enterprise and then abandon it. It seemed possible that there might be people who would like to have it abandoned, because of rights which would revert to the owner of the land. We went to work to see if we could make that cave pay. We had to fly in the face of congressional criticism, we had to go almost against a mandate of the House Committee on Agriculture.

But all the costs, except for a small charge for machinery, have been amortized and paid since that date.

Those things do not get any notice. It appears that it is not important whether Commodity Credit makes \$200,000,000 in a cotton operation; the important thing seems to be whether someone loses \$40,000 because some eggs went bad in a New York warehouse.

Mr. KEM. Mr. President, will the Senator from New Mexico yield?

Mr. ANDERSON. I yield.

Mr. KEM. I should like to ask the Senator from New Mexico whether, under the set-up proposed in the bill, the members of the Board of Directors or the members of the advisory committee are the more important.

Mr. ANDERSON. I shall answer the Senator honestly, even though it works against my own argument. I believe the members of the Board who are appointed by the Secretary are more important than the members of the advisory committee. I know his next question will be, then, Why are they not to be confirmed? I have said to him that all I have to go on is my experience in the office of Secretary, and I think I found out in that position that two men cannot at the same time shoulder the same responsibility for supporting prices of farm commodities in this country. Fundamentally the responsibility comes back to one man. He may not like it, but if he holds up his hand and takes an oath of office, he must administer the office, even if it breaks his body. He must go through with it. He cannot divide or escape the responsibility. I hope Senators will remember that.

Mr. KEM. Mr. President, will the Senator yield for another question?

Mr. ANDERSON. I yield.

Mr. KEM. I should like to say, by way of preface, that the Senator's anticipation of my question is a perfectly proper one, but it is not the one I wanted to ask.

Mr. ANDERSON. I apologize if I anticipated the Senator.

Mr. KEM. All I wanted to ask the Senator was whether he was familiar with the provisions of section 2, article II, of the Constitution of the United States, which provides that the President "shall nominate, and by and with the advice and consent of the Senate, shall appoint ambassadors, other public ministers and consuls, judges of the Supreme Court, and all other officers of the United States, whose appointments are not herein otherwise provided for, and which shall be established by law; but the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone," and so forth. Is the Senator familiar with that provision of the Constitution?

Mr. ANDERSON. I am not a lawyer, and I am not so familiar with the Constitution as I perhaps should be, but I am familiar with the fact that the persons we are discussing are not officers of the United States.

Mr. KEM. I should like to say that I sat with the Senator in the Committee on Agriculture and Forestry, and in this particular field of law he is an expert.

Mr. ANDERSON. I thank the Senator, but it is not possible for me to answer his question.

Mr. KEM. I have merely asked him whether he is familiar with that provision of the Constitution by way of introduction to the next question, namely, whether, when we are dealing with two groups, one of which he says is more important than the other, but in which the confirmation of the less important group is accorded to the Senate, he thinks that is in accord with the spirit of the Constitution?

Mr. ANDERSON. I have tried to answer over and over again that I feel that an advisory committee can do a splendid job of laying out policy. Once it has been laid out, either by Congress or by an advisory group, the Secretary has to administer it, and he cannot have that administrative authority divided. He cannot have an independent board, with independent powers, charged with doing the same thing he is charged with doing, without running into conflict. It is upon that basis, and on that basis alone, I may say to the Senator, that I prefer the other method.

Mr. KEM. The Senator has stated his point of view in that respect very clearly, and I think it has some cogency, but that is not the question I am putting to the distinguished Senator. The question is whether it is in accord with the spirit of the Constitution to provide that certain inferior officers shall be subject to confirmation of the Senate, whereas their superiors are not so to be confirmed.

Mr. ANDERSON. Mr. President, I should like to answer the Senator with what he will probably regard as an evasion, but I must say that I have never attempted to interpret the Constitution, not being a lawyer, but have found it much better in my business to hire lawyers to do my legal work. I should, therefore, want to stay out of the field as to what the proper constitutional interpretation is. There are many constitutional lawyers in this assembly who can better answer the Senator's question.

Mr. KEM. I want to address the Senator from New Mexico, not as a lawyer, but as a man of high intelligence who can read and understand the English language. I should like to ask the Senator whether in his opinion it is in accord with the spirit of the Constitution to a provision of which I have just invited his attention, for the bill to provide that the inferior officers shall be confirmed by the Senate, and that the more important officers shall bypass the Senate?

Mr. ANDERSON. I would only answer the Senator in this way, that I do not feel that advisory boards can be measured against administrative tasks. We cannot say whether policy or administrative people are of the greatest importance. May I say that we have an Atomic Energy Commission now. It would seem to me that if we were to start a new development again, that if Dr. Oppenheimer could be moved back into my State, where he served so bril-

liantly at Los Alamos, he would be far more important to the atomic energy program than some members of the board would be, but he would not be subject to confirmation.

Mr. KEM. I realize that the Senator is not a witness on the stand, and I have no right to press him. I realize fully that he can decline to answer the question if he wishes to do so. But I should like to ask him again whether he thinks any other consideration in the respect referred to is in accord with the spirit of the constitutional provisions to which I have just invited his attention?

Mr. ANDERSON. To the best of my understanding it is.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. AIKEN. I wish the Senator to yield long enough for me to point out apropos the remarks of the Senator from Missouri, that the Advisory Board does not advise the Board of Directors of the Commodity Credit Corporation, but it is distinctly stated in the bill that they are to advise the Secretary of Agriculture.

Mr. KEM. Yes, but, Mr. President, I should like to ask the Senator from New Mexico again which of these two groups he thinks is the most important: The one which exercises the right of decision, or the one which exercises the right to advise?

Mr. ANDERSON. I say it goes back to the same old story always. The question often is asked, Who is most important in the Military Establishment, the men who are at the front or the men who are making it possible for them to stay at the front? To put it another way: Is Congress in making policy more important than the executive branch in carrying out that policy? It would be extremely tragic if a fine advisory board was not selected. I should love to have a chance to suggest to the Senate four names for that Board, Mr. President. If we could get the type of men I am thinking of on that Board, the Secretary of Agriculture would have the finest possible aid and assistance in determining policy. But once policy has been determined for him by the Congress, then the people who administer that program underneath him are to him the most important people he could possibly have. Upon their integrity rests his own. Upon their ability to work long hours rests the possibility that the task may be done. The Senator asks me something which I could only answer one way after my experience with the men in the Department of Agriculture.

Mr. KEM. Let me ask the Senator another question. As a former Secretary of Agriculture, would the Senator from New Mexico feel it were a greater compliment to be asked to suggest members for the Board of Directors or to suggest names for appointment as members for the Advisory Council?

Mr. ANDERSON. I can answer that question. It would be a compliment to suggest members for the Board of Directors, but as a former Secretary of Agriculture I would not attempt to suggest members of the other body, because

the then Secretary of Agriculture has to live with his people. Someone highly regarded by a former Secretary of Agriculture might be impossible for me to work with, and someone I might cherish might be wholly unacceptable to the present Secretary. I do believe I could suggest members of an Advisory Council which would be satisfactory to both.

Mr. KEM. So if I understand the Senator correctly, and I know he will correct me if I do not, from any aspect he regards the members of the Board of Directors as more important than members of the Advisory Council?

Mr. ANDERSON. I cannot help reiterating that, once the policy has been laid down, the Board of Directors are of tremendous importance to the Secretary, and it is their wise judgment and ability to handle programs that I think is of transcendent importance.

EXHIBIT 1

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, March 30, 1949.

The honorable the SPEAKER OF THE HOUSE
OF REPRESENTATIVES.

DEAR MR. SPEAKER: There is presented herein report on the examination of Commodity Credit Corporation for the period ended June 30, 1945. This examination was made by the Corporation Audits Division of the General Accounting Office, pursuant to and in accordance with the requirements of section 5 of the act of February 24, 1945 (59 Stat. 6).

Respectfully submitted,

LINDSAY C. WARREN,
Comptroller General
of the United States.

GENERAL ACCOUNTING OFFICE,
CORPORATION AUDITS DIVISION,
Washington.

HON. LINDSAY C. WARREN,
Comptroller General
of the United States.

DEAR MR. WARREN: We have made an examination of Commodity Credit Corporation and its affiliated corporation, War Hemp Industries, Incorporated, for the period ended June 30, 1945, pursuant to the requirements of section 5 of the act of February 24, 1945 (59 Stat. 6). Our report consists of condensed over-all comments on the nature and operations of the Corporation, recommendations, sections in some detail amplifying certain of the over-all comments (with particular reference to financial and accounting matters), and financial statements and schedules. The field examination was concluded in December 1946, and in general the report has been written as of that date, referring primarily to the period mentioned above. However, it makes note of progress since then in improving the quality of the accounting function and of a few significant subsequent events relating to the history and activities of the Corporation. The report also discloses the circumstances which caused us to be unable to render an opinion with regard to the financial statements of the Corporation and its affiliate.

GENERAL COMMENTS

1. General: Through its price-support activities the Corporation has contributed significantly to agricultural economic readjustment in the years since 1933. From inception of the Corporation to June 30, 1945, commodity loans in excess of \$4,500,000,000 had been made by the Corporation or through its agents on approximately 30 different agricultural commodities. Most important dollarwise among these were loans on cotton, wheat, and corn, which totaled approximately

\$4,300,000,000. In 1939 the Corporation initiated direct-purchase programs as a means of providing agricultural price support.

During the war the Corporation assumed new responsibilities, with respect to many of which it had little or no experience. It participated in the acquisition, processing, and movement of huge stores of commodities essential to the war effort; it assisted in the stimulation of agriculture and related commercial activities; and it participated in programs designed to stabilize prices and encourage production and distribution. During this period the purchase operations of the Corporation were expanded tremendously, and the objective of supply, rather than price support, predominated.

The general commodities purchase program, the largest single wartime supply program, involved the acquisition and disposal of several hundred different commodities having a disposal value in excess of \$6,000,000,000. In addition to domestic procurement during this period, the Corporation was assigned the responsibility of procuring over 90 foreign commodities, principally sugar, various fats and oils, Egyptian cotton, and tea. Also during the war period the Corporation financed and administered substantially all subsidy programs related to agricultural commodities. (Defense Supplies Corporation also allowed or paid subsidies relative to a few commodities but incurred a greater aggregate cost to June 30, 1945.) To June 30, 1945, subsidies aggregating nearly \$1,300,000,000 had been allowed or paid by Commodity Credit Corporation on approximately 35 agricultural commodities.

2. THE CORPORATE ENTITY

The creation of Commodity Credit Corporation was directed by Executive Order 6340, dated October 16, 1933. The authority cited for the order was the National Industrial Recovery Act, which provided in section 2 (a) of title I for the creation of agencies necessary to effectuate the policies of the act. The Corporation was created under the laws of Delaware, as directed by the order, on October 17, 1933.

The Corporation, although nominally an independent agency of the United States, was managed and operated in close affiliation with Reconstruction Finance Corporation until July 1, 1939, when it was transferred, by Reorganization Plan No. 1, to the Department of Agriculture, to be administered under the general direction and supervision of the Secretary of Agriculture.

All the directors of the Corporation were officials of the Department of Agriculture, occupying positions which automatically placed them on the board. Their regular assignments made them subordinate to the Secretary, who exercised the ownership rights of the capital stock. Consequently, the Secretary was in a position to exercise complete authority over the management of the affairs of the Corporation. This, coupled with the requirement of reorganization plan No. 1 that the affairs of the Corporation be administered under the general direction and supervision of the Secretary, places the ultimate responsibility for the activities of the Corporation directly upon the latter. The Department considers this situation to be administratively desirable from the standpoint of the integration of the agricultural program. However, it practically precludes the exercise of the usual policy-making functions by the board of directors.

Furthermore, for several years the Corporation had been, in effect, merged with, or had carried out its operations through, the facilities and personnel of large unincorporated agencies within the Department of Agriculture. To a large extent this resulted in loss of a conception of the Corporation as an entity on the part of personnel engaged in affairs ostensibly carried on by the Corporation, except in certain cases where the distinction had to be maintained for legal or

budgetary reasons. By Executive Order 9334, dated April 19, 1943, the Corporation was consolidated into the War Food Administration, under the direction and supervision of the Administrator who was independent of the Secretary of Agriculture. The order placed the War Food Administration in the Department of Agriculture but made the Administrator responsible only to the President of the United States. This disposition of the Corporation lasted until the War Food Administration was abolished June 30, 1945, when direct control of the Corporation was returned to the Secretary of Agriculture. On August 18, 1945, operations of the Corporation were merged with the newly created Production and Marketing Administration of the Department of Agriculture. By that date the Corporation, as such, had largely ceased to exist, except for certain legal powers, responsibilities, and other characteristics of the corporate body. The apparent reasons for the continued utilization of the Corporation are discussed in item 4 following.

3. Corporate management: Positions of responsibility in the Corporation, as to both directors and top-management officials (who in a number of cases serve in dual officer-director capacities), have been assigned, formerly as a matter of practice and more recently in accordance with the corporate bylaws, to occupants of certain positions within the Department of Agriculture. Duties and responsibilities of the positions so designated have not been limited to performance of functions relating only to Commodity Credit Corporation. The attainment of these positions has generally represented the culmination of a progression through various capacities within divisions of the Department engaged in nonbusiness-type activities, particularly the Bureau of Agricultural Economics and the Agricultural Adjustment Agency.

The tenure of office of many executives of the Corporation has been very short, and a number of persons have left positions of prominence with the Corporation to accept private employment. There seems to be little doubt that the Government salary ceiling, as in the case of many other Government agencies, was an important cause of many of the resignations. This turn-over of personnel has had an adverse effect on the management of the Corporation, particularly as its affairs are very complex and cover a multitude of activities. Early in the course of our examination it became apparent that the accounting function had not been utilized by the management as a control device and that satisfactory control had not been exercised over the Corporation's financial affairs. This matter was the subject of discussions with Corporation officials, and one of our recommendations was that the position of controller be established. A controller was appointed on April 28, 1947, and made an officer of the Corporation on May 12, 1947. The directive establishing the position of controller assigned to the position "technical authority and responsibility over all fiscal affairs of CCC and PMA." In the course of subsequent discussions relative to the functioning of the controller, we were informed by the President of the Corporation that the controller had been made responsible for, and given authority over and control of, the accounting, budgeting, and internal auditing with respect to CCC. On this basis, it appears that the controller is in a position to contribute in full measure to the management of CCC. Since August 1945 the Administrator of Production and Marketing Administration automatically has been the President of the Corporation.

To some extent during the existence of the War Food Administration, and to a much greater extent since the creation of Production and Marketing Administration, the officials of Commodity Credit Corporation have been required to devote time to noncorpo-

rate activities. Inasmuch as we believe the scope and complexity of CCC operations warrant the full-time services of high-level management personnel, we feel that this is detrimental to managerial effectiveness, the extent being directly proportional to the significance of, and time required for, the noncorporate responsibilities simultaneously assumed by members of the CCC management group.

An important feature in CCC operations has been the widespread utilization of agents, particularly banks, agricultural conservation program committees, and numerous cooperative associations for both record-keeping and operational purposes. The resulting broad decentralization of authority for direct administration was not, in a number of cases, accompanied by suitably precise operating and accounting controls or satisfactory assignments of record keeping and reporting responsibilities as between the Corporation and its agents. Although primary responsibility for the results of the programs was retained by the Corporation, the ability of the management to control the operations was impaired by these relationships, and accounting and auditing problems were created or augmented. In the selection of some of the agents, conflicting or unrelated local or primary interests of the agents apparently prevented the Corporation from obtaining fully satisfactory representation.

Operating responsibilities within the Corporation at times were not apportioned among the officials to any great extent according to the normal functional characteristics of their offices, and broad delegations of responsibility and authority were not made. As a result, the internal operation has been organized less effectively than would have been desirable. This is particularly true of the War Food Administration era (1943-45). During much of that period there was poor organization, lack of coordination, uncertainty of policies, constant confusion from frequent reorganizations, and extremely high turn-over in executive personnel.

Weaknesses in management, operations, or accounting were attributed in large part by the Corporation to the stresses and exigencies occasioned by the war. We believe that, while this is true to a certain extent, the effect would have been lessened if a more sound managerial control had existed at the time.

4. Purposes and activities of the enterprise: The development and operation of the farm program in an effort to obtain agricultural readjustment was an important part of plans to cope with the economic emergency which existed in 1933. Commodity Credit Corporation was but one of several agencies utilized.

Prior to 1933 a number of actions had been taken in the interest of agriculture. However, by 1933 the condition of the national economy was so acute that bold and extensive action was considered necessary.

In the Agricultural Adjustment Act, approved in May 1933, the Congress declared its policy to be the assurance of a purchasing power to commodities which farmers sold, in relation to things which they bought, equivalent to the purchasing power that they enjoyed during a designated favorable period in the past, usually August 1909 through July 1914. This is often referred to as the parity formula. The act provided for accomplishing this objective through benefit payments to farmers who complied with certain requisites relative to farm production, acreage, etc. The act included a self-financing feature—the processing tax. In January 1936 the processing tax and acreage control provisions were declared unconstitutional. As a result, increased reliance was placed on the price-support principle, and consequently, on the commodity

loan facilities of Commodity Credit Corporation.

In February 1936 the Congress enacted the Soil Conservation and Domestic Allotment Act to achieve agricultural readjustment through payments to producers who restricted their plantings of soil-depleting crops, increased their plantings of soil-conservation crops, and carried out certain soil-building practices. This program failed to prevent the accumulation of surpluses, and the Agricultural Adjustment Act of 1938 was therefore enacted. This act continued the conservation payments, provided parity payments, and under specified conditions authorized the use of marketing quotas and price support by commodity loans through CCC; such loans were made mandatory in the case of cotton, corn, and wheat, under certain conditions.

The approximate cost of a number of the more important of the above activities carried out by other Government agencies from 1933 to June 30, 1945, was \$8,115,600,000. Of this total, adjustment or parity payments amounted to \$6,200,000,000 and expenditures of so-called section 32 funds (percentage of customs revenues earmarked for the benefit of agriculture) amounted to \$1,146,000,000. The latter have been used principally to finance the utilization of agricultural commodities for domestic relief purposes and, to a lesser extent, to encourage the exportation of such commodities by subsidizing their export. Because of the impact of the war emergency programs on the results of CCC price-support activities and the accounting policies then in effect, the cost of the Corporation's price-support activities cannot be stated, either to the outbreak of the war or cumulatively to June 30, 1945. (See comments beginning on page 45.)

The above-mentioned legislative acts had as one of their significant objectives the attainment of parity for the farmer. The very brief and nontechnical discussion of parity which follows is not limited to the operations of CCC. Parity is an item of basic consideration in the development of all phases of the farm program, of which the operations of the Corporation have been but a part. Parity for the farmer (under various names) has been the goal of agricultural advocates since the end of World War I, and since 1933 has been firmly woven into the fabric of the whole farm program.

The statement of policy relative to parity contained in the Agricultural Adjustment Act of 1933 was expressed in the following language: " * * * reestablish prices to farmers at a level that will give agricultural commodities a purchasing power with respect to articles that farmers buy, equivalent to the purchasing power of agricultural commodities in the base period."

In the Soil Conservation and Domestic Allotment Act of 1936 (49 Stat. 1148), this policy was restated in the following language: " * * * reestablishment, at as rapid a rate as the Secretary of Agriculture determines to be practicable and in the general public interest, of the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms that prevailed during the 5-year period August 1909-July 1914, inclusive, * * * and the maintenance of such ratio."

This policy was further developed in the Agricultural Adjustment Act of 1938, which included among its purposes assisting farmers to obtain, insofar as practicable, both parity as applied to prices and parity as applied to income as defined in the act (52 Stat. 38).

Equality of purchasing power, or parity of net income, as between farmers and nonfarmers, cannot be established and maintained by merely assuring parity prices for agricultural commodities, because consideration must be given to the number of units

sold at the parity prices, and because in their nature parity prices do not take into consideration the relative income of nonfarmers.

There are obvious difficulties encountered in establishing parity, but statistics indicate that in general the application of the theory has not operated to the detriment of the farmer. This is illustrated by the following statistics prepared by the Bureau of Agricultural Economics, which show the parity income ratio, farmers to nonfarmers:

Parity income ratio	
Year:	
1933-----	81
1934-----	83
1935-----	107
1936-----	99
1937-----	107
1938-----	96
1939-----	95
1940-----	83
1941-----	109
1942-----	132
1943-----	151
1944-----	144
1945-----	149
1946-----	168

NOTE.—Net income of persons on farms, used in the base for computing these ratios, includes Government payments.

Later enactments by the Congress authorizing and directing Commodity Credit Corporation to support the prices of certain commodities under certain conditions at fixed or minimum percentages of the parity prices for such commodities have been administratively interpreted and applied as requiring price support, notwithstanding the fact that the prices of these commodities had risen substantially above parity.

The original function of Commodity Credit Corporation to extend financial aid to farmers during the economic emergency existing at the time of its creation in October 1933. The aid extended initially was in the form of nonrecourse commodity loans (in amounts based on parity prices) at low-interest rates. In 1939 the Corporation initiated direct-purchase programs as a means of bolstering depressed prices.

During the period of World War II and since, the Corporation has been used for several other significant purposes. It became the principal medium through which agricultural commodities were subsidized and it was used extensively to conduct price-support operations considered necessary in increasing or maintaining production and stabilizing prices of agricultural commodities. It was used also as agent for the Government in extensive operations, termed supply activities, involving the procurement and stock piling of food and food products for lend-lease, the Army, the Navy, and other Government agencies. The domestic wool program partook somewhat of the nature of a protective mechanism, in addition to the tariff, to maintain domestic wool prices which would otherwise have suffered because of the large volume of imported wool; in this case, support prices were in excess of parity and possible selling prices. (Although the programs had been carried on since April 1943, and extensive congressional hearings had been conducted relative to wool, the first specific statutory authority for the wool programs was Public Law 360, 80th Cong., approved August 5, 1947. It should be noted that this report does not contend that the programs were conducted without authority of law.)

An activity not relevant to the general purposes of the Corporation, but carried on in accordance with law, is the making of loans to the Secretary of Agriculture, in an aggregate amount not in excess of \$50,000,000 per year, for the stated purpose of temporarily financing crop-insurance premiums, soil-conservation activities, etc. The statute under which these loans are made (the act

of July 2, 1940; 54 Stat. 728) directs their repayment "during the succeeding fiscal year from the appropriation available for that year or from any unobligated balance of the appropriation for any other year." In making repayments as directed by this law, the Department has been authorized to use balances of appropriations which would not otherwise have been available, in the amount of \$122,858,341 to June 30, 1947.

In carrying out its many functions, the Corporation initiated and conducted a number of programs with substantial differences in purposes to be accomplished and in methods of accomplishing the purposes. The objectives of the programs (which consist in general of the types discussed above) may be fitted roughly into four groups: (1) Price support, (2) supply, (3) export, and (4) foreign purchases. These objectives are attained through loan, trading,¹ pooling, and subsidy operations. Items 6, 7, 8, and 9 following contain a brief discussion of these operations, including financial results.

Because of the accounting policies in effect during the period under review, the fact that the purposes of some of the programs changed from time to time (e. g., from price support to supply), and the impact of the war, no representation could be made of the cost of price-support activities from the inception of the Corporation to the outbreak of the war, or of the cost of the activities relative to the objectives of price support, supply, export, and foreign purchases during the war or cumulatively to June 30, 1945.

The legal authority of the Corporation has been derived from two sources:

(a) Specific statutes authorizing or directing the Corporation to undertake activities and defining to some extent the manner in which the operations should be conducted. The loans on basic commodities since 1938 are within this category, as are the commodity export programs and a number of the subsidy programs. Another example is the act of August 5, 1947, previously cited, requiring continued price support for wool.

(b) The Corporation's Delaware charter as recognized by statutes continuing the Corporation as an agency of the United States, increasing the Corporation's borrowing power, authorizing expenditures for administrative expenses, and appropriating funds to restore losses.

In view of the broad authority conferred upon the Corporation by its Delaware charter, there have, of course, been questions concerning the precise limits of the authority of the Corporation in formulating and conducting Federal programs. The submission of annual budget programs for congressional approval for the fiscal years since 1947, as required by the Government Corporation Control Act, has required advance examination of proposed programs by the Congress.

Since the enactment of the Commodity Credit Corporation Charter Act in June 1948, the Corporation has not relied upon its Delaware charter, and the Delaware corporation has been dissolved.

5. Sources of funds: Capital stock as originally authorized and issued provided Commodity Credit Corporation with capital in the amount of \$3,000,000, which was allotted by the President from the appropriation made to carry out the National Industrial Recovery Act. An additional \$97,000,000 was provided in April 1936 by Re-

¹ The term "trading" as used in this report denotes the operation involved in (a) the disposal of commodities acquired in settlement of loans (except cotton pooling) and through direct purchases, for price-support purposes, (b) voluntary purchases and sales in connection with supply activities, and (c) other acquisition activities. It does not imply that the Corporation customarily trades in commodities with the objective of gain.

construction Finance Corporation. This amount was borrowed by RFC from the United States Treasury, and the notes given to secure the loans were canceled by the Secretary of the Treasury when the capital stock was transferred to him in 1938. No interest was charged for them of the \$100,000,000 during the period under review.

The funds used to finance the Corporation's activities have been obtained, for the most part, by borrowing. The authority of the Corporation to borrow from the public debt fund of the Treasury or to issue obligations otherwise against the credit of the United States has been fixed by law since March 1938. Successive amendments have raised the limit of the Corporation's borrowings from \$500,000,000, then established, to a limit of \$4,750,000,000 established in April 1945. The Corporation's obligations outstanding at June 30, 1945, guaranteed by the United States are summarized as follows:

Borrowings from the United States Treasury	\$1,591,000,000
Borrowings from private banks and other Government corporations (\$21,256,279) to finance various commodity programs.....	451,728,125
Total.....	2,042,728,125

Included in the borrowings to finance commodity programs is an amount of \$22,515,000 representing general borrowings not related to specific programs such as cotton, wool, sugar, etc. A small number of large commercial banks supplied these funds, on a demand basis, at an interest rate of one-half of 1 percent per annum. These borrowings appear to have been advantageous in that they bore this low rate of interest.

Besides funds obtained on the above basis, financing of some activities was provided by means which did not directly involve using the credit of the United States. Private lending agencies making loans to producers in connection with cotton loan programs were required to tender all notes to the Corporation for either purchase or pooling. At the election of the lending agency, the Corporation either purchased the notes for cash at their face value plus accrued interests or placed them in a pool and issued certificates of interest evidencing the deposit of notes therein by the lending agency. As provided in lending agency agreements, the Corporation followed the practice of also depositing in the note pool the notes which it acquires by purchase. Separate note pools were conducted in each Federal Reserve district, and the Federal Reserve bank for the district acted as custodian of the pool. The certificates of interest, bearing interest at the rate of 1½ percent per annum, are liquidated by periodic distributions of the proceeds of loan redemptions, or are redeemed by the Corporation at maturity of the loans or upon demand by the holders. At June 30, 1945, the Corporation's obligation with respect to certificates of interest amounted to \$205,218,600. This amount is not included in the tabulation above, as it was not guaranteed by the United States.

Some of the Corporation's other activities, principally commodity loan programs, are financed in whole or in part under agreements obligating the Corporation either to purchase, at maturity or on demand, loans made by private lending agencies or, in the case of cotton cooperative associations, to make loans to the associations on eligible cotton delivered by producer-members. In consideration of these obligations, the Corporation shares in the interest received by the lending agencies and cooperatives. At June 30, 1945, the Corporation's obligation to purchase or make such loans was \$86,035,259, which included \$54,544,698 applicable to loans made by Farm Credit Administration corporations. (See schedule 5.)

In the past, extensive borrowings were made from Reconstruction Finance Corporation and through sale of obligations to the public. The last issue of the Corporation's collateral trust notes held by the public was redeemed during the fiscal year 1945.

The act of March 9, 1938 (52 Stat. 107), requires the Secretary of the Treasury to make an annual appraisal of the assets and liabilities of the Corporation. The net worth, determined by this appraisal, is restored to the amount of capital of \$100,000,000, either by reimbursing the Corporation for the capital impairment through appropriation procedures or by payment of any surplus into the Treasury. The net capital impairment resulting from operations to June 30, 1945, as determined by appraisals, was \$1,322,171,966; the capital impairment indicated by exhibit 1 was \$1,180,283,540. The difference is caused chiefly by our restoration to income of \$139,171,171 representing the portion of the apparent gain on the General Commodities Purchase Program shown as a special reserve by the Corporation at June 30, 1945. Of the capital impairment determined by the Treasury appraisals, the Corporation had been reimbursed through appropriations for previous years' impairments in the net amount of \$400,715,405 at June 30, 1945; the remainder (\$921,456,561) was reimbursed to the Corporation in July 1946. The latter, and the reimbursement of \$641,832,081 for capital impairment as of June 30, 1946, were effected through the medium of note cancellations authorized by law.

Restoration of capital impairment after funds have been expended differs from the regular congressional procedures for appropriating public funds for expenditures. The use of borrowed funds in a manner certain to impair the ability of the Corporation to repay them (particularly to make subsidy payments) amounts, in effect, to withdrawal of funds from the Treasury and has been characterized as "a back door to the Treasury." Also, it unfairly burdens the Corporation with interest on expended borrowings until the Congress appropriates funds to make up the losses or authorizes the cancellation of the notes held by the Treasury. Permanent expenditure or loss of funds, it would logically be presumed, would require that the funds first be made available to the Corporation by the Congress for reimbursement under appropriation procedures. This also appears to be consistent with that part of section 4 of the act of March 8, 1938, which may be interpreted as requiring that the Corporation's assets be sufficient always to pay its debts whenever it borrows funds from any source. We believe that whenever the impairment of the Corporation's capital exceeds \$100,000,000, this principle is defeated.

The difficulty of preparing estimates in advance for certain programs of CCC is recognized. However, the benefits of this procedure, or some similar method of obtaining closer congressional control, should warrant unusual efforts in attaining this result. Otherwise, the implication is that the Congress should authorize the conduct of specific activities without adequate means of limiting their aggregate cost.

The total amount of interest expense which has been allocated to specific programs through June 30, 1945, exclusive of interest paid to banks acting as fiscal agents, is summarized from schedule 22, as follows:

On borrowings from—	
Public	\$31,895,120
United States Treasury.....	28,085,080
Reconstruction Finance Corporation.....	15,860,274
Private lending agencies.....	621,651
Total.....	76,462,125

At June 30, 1945, the interest rate on loans being charged the Corporation by the Treasury was 1 percent, which was not correlated to the cost to the Treasury of obtaining funds. We are of the opinion that it would

have been desirable that the interest rate result in a charge to the Corporation equal to the interest cost of such funds to the Treasury. Furthermore, the inclusion of an interest charge on the entire amount of the Government's investment in the Corporation would have resulted in a more adequate and complete presentation of the cost to the Government of the Corporation's activities.

6. Loan operations: Prior to passage of the Agricultural Adjustment Act of 1938, commodity loans were made without specific statutory authority and pursuant only to corporate charter powers. During that prior period, a large volume of loans on cotton and corn, and a relatively minor amount on wheat and a few other commodities, were made by the Corporation or through its lending agencies. By the provisions of the Agricultural Adjustment Act of 1938, the Corporation was authorized, upon recommendation of the Secretary of Agriculture and approval by the President of the United States, to make loans on all agricultural commodities and was specifically directed to make loans available, under certain conditions, on cotton, corn, and wheat. Subsequent legislation added rice, tobacco, and peanuts to this group, and these six commodities became known and were legislatively recognized as the basic commodities.

Prior to the war, and during the war period as late as June 30, 1945, the Corporation visualized (and the Congress, in sec. 2 of the Agricultural Adjustment Act of 1938, apparently recognized) its loan programs as having two fundamental functions—stabilizing farm prices and assuring adequate reserve supplies of farm products. To this last function, the term "ever-normal granary" has been applied by the Corporation as late as June 30, 1943.

Surpluses of some commodities, in excess of the needs of an ample ever-normal granary, were acquired as a result of commodity loans. The demands of the war for raw materials and food provided relief from large overstocks of cotton and wheat.

In some cases during the later war years and since, commodity loans at the rate of 90 percent of parity (higher in the case of cotton) have been made when the related market prices were in excess of parity. Officials of the Department of Agriculture point out that, in their opinion, under specific provisions of existing legislation, it was necessary to make loans available on basic commodities even though market prices were in excess of parity prices and without regard to the parity of net income concept.

However, loans by the Corporation on basic commodities have been closely related to production controls through acreage allotments and marketing quotas until such controls were suspended during the war. In those cases where production controls were in effect, loans were made available at maximum rates only to cooperating farmers. Loans were made to noncooperators at reduced rates and on only so much of their commodity as would be subject to penalty if marketed.

Generally, commodity loans have been made at rates expressed as a percentage of the parity price for a unit of the commodity. The ratio of amounts of individual loans to commodity values (at parity prices) has varied as to both the kind of commodity and the time when the loans were made. The Agricultural Adjustment Act of 1938 required the rates of mandatory loans (basic commodities) to be not less than 52 nor more than 75 percent of the parity price for each unit of the commodity upon which a loan was made. In May 1941 the rates of these loans were fixed by law at 85 percent of the parity price, and since October 1942 they have been fixed by the Stabilization Act of 1942, as amended, at 90 percent of the parity price except in the case of cotton which has been at 92½ or 95 percent of the parity price. Under this latter act, loans

at these rates were mandatory on basic commodities harvested prior to a date later specified as January 1, 1949.

Because of the nonrecourse feature, which has been contained in all commodity loans made by the Corporation, and the bases on which loans are generally made, a commodity loan, in practical effect, amounts to a purchase by the Corporation subject to an option on the part of the farmer to repurchase the commodity, if he desires, in event of favorable price relationships. In addition, when pooling is provided for by the terms of a commodity loan, and the loans are settled in this manner, the farmer shares ratably in the excess of sales proceeds, if any, over the Corporation's investment plus applicable charges. In general, such gains result from price increases during the disposal period after the collateral has been taken over in settlement of the loan. Losses resulting from these types of transactions, however, are all borne by the Corporation.

Interest rates bear no relation to the cost of making the loans, nor is the rate calculated to compensate for the risk inherent in making the loan. The interest is not payable unless the commodity is redeemed, in which event it may be considered as a redemption fee rather than interest income.

From inception of the Corporation to June 30, 1945, loans made by the Corporation or through lending agencies amounted to \$4,580,322,000, distributed largely among three commodities, as follows:

	Amount	Percent
Cotton.....	\$2,030,477,000	44.3
Wheat.....	1,603,953,000	35.0
Corn.....	692,200,000	15.1
22 commodities and 9 financing programs.....	253,692,000	5.6
Total.....	4,580,322,000	100.0

The total recorded interest income to June 30, 1945, was \$54,607,369, and the total of losses recorded as applicable to loan operations was \$47,629,894, leaving an apparent gain of \$6,977,475. Losses reflected by the Corporation as losses on loans resulted principally from the release, in full settlement of the loans, of pledged collateral to borrowers at approximately market values, which were less than the redemption values, i.e., loans settled on a reduced basis without the taking over of the commodity by the Corporation; and, in the case of corn, the cancellation of storage advances related to the resealing program announced in the fall of 1940. Losses of the former type were incurred as a result of administrative determinations that it was more economical to permit the farmers to market the crop than to incur the expense that would have been involved in taking over, concentrating, and selling the commodities. When the Corporation acquired title to commodities pledged to secure loans in default, the unpaid balance of the loan advances was recorded in its accounts as the cost of acquisition. The gain or loss resulting from the disposal of these commodities was reflected in trading operations and requires consideration in determining the aggregate gain or loss in individual loan programs. It was not the Corporation's policy at the end of each fiscal year to make estimates of and provide reserves for the losses that ultimately might be sustained on commodity loan programs until the commodities pledged to secure loans in default were acquired. Subsequent to June 30, 1945, the Corporation adopted the policy of providing valuation reserves, based upon estimated realizable values, to reflect the estimated loss, if any, to be sustained during liquidation of the loans. The new procedure is more in accord with generally accepted accounting practice.

7. Trading operations: The Corporation became engaged in trading operations in 1937 when it became necessary to transport, store, and dispose of commodities acquired in settlement of loans. In the fall of 1939 the Corporation initiated direct-purchase programs as a means of accomplishing price support. During the war period trading operations were expanded considerably, although the objective generally was one of supply.

To June 30, 1945, trading operations conducted by the Corporation resulted in the acquisition and disposal of commodities having a disposal value of over \$11,000,000,000. More than 300 separate programs have been conducted involving:

(a) Approximately 20 domestic farm commodities, principally wheat, cotton, corn, and tobacco (basic commodities), and wool.

(b) Approximately 90 foreign commodities, principally sugar, various fats and oils, Egyptian cotton, and tea.

(c) Programs designed to provide, for various purposes, a supply of approximately 10 different commodities, and the General Commodities Purchase Program which involved the acquisition of several hundred different commodities, chiefly for supply purposes.

(d) Exchange of domestic cotton for rubber owned by the United Kingdom.

(e) Operation through an affiliated company of a program to provide a domestic supply of hemp and related items.

(f) Purchase, erection, rental, sale, and maintenance of steel and prefabricated wooden bins for grain storage.

The recorded net gain from these operations was \$200,494,693, which was, in general, exclusive of any portion of the Corporation's general overhead expenses and interest on borrowed funds which, through substantial, were not allocated on the books of the Corporation to individual programs or groups of programs. The two most significant program results were the gains of \$122,394,806 attributed to cotton and \$152,215,171 attributed to the general commodities purchase program. In the case of the general commodities purchase program the gain resulted, in general, from sales to other agencies of the Government, principally lend-lease. We are informed that, in line with general Corporation policy, the program was not carried on with the objective of gain and that the results are not considered unreasonable in relation to the gross dollar volume. We believe that the sales prices could have approximated total costs more closely, and that such profits were unrealistic and undesirable, and resulted in unwarrantedly augmenting the costs of the vendee agencies. This is particularly true in that the costs which probably arose from inefficient management, spoilage and waste, confused operating policies, etc. (as brought out in H. Rept. 816, 79th Cong., 1st sess., which resulted from an investigation of the War Food Administration conducted during 1944 and 1945 under authority of H. Res. 50), were passed on to those agencies, principally the Lend-Lease Administration. In the case of cotton, the gain resulted almost entirely from the high prices obtained in disposing, during the war period, of cotton acquired by the Corporation in 1939 from crops of the years 1934 and 1937. The largest single trading operation loss was that of the wool price-support programs. To June 30, 1945, the recorded loss was \$25,583,113, including a provision for loss on realization of wool inventories in the amount of \$23,930,000. The provision for loss was substantially inadequate, primarily because it was determined on the basis of the wool inventory as of June 30, 1945, as shown by the books, of approximately 319,000,000 pounds. More than 100,000,000 pounds of wool held for the account of the Corporation at June 30, 1945, were not reflected on the books of the Corporation at that date and were omitted from

the basis of the computation of the provision for loss.

8. Pooling operations: The agreements used in certain of the commodity-loan programs authorize the Corporation to pool for the account of the producers any collateral unredeemed at maturity of the loans. Producers participating in pools share ratably in the excess of sales proceeds, if any, over the Corporation's investment in the pooled collateral plus a charge equivalent to interest at the rate of 3 percent thereon made by CCC for financing and conducting the pools. If pool operations result in losses, they are borne by the Corporation. Other than the more or less moral obligation of protecting any possible equity of producers, the pooling operation in itself imposes no restrictions on the Corporation as to disposal of the collateral.

The decision to pool unredeemed collateral is made by the Corporation's board of directors, and this determination appears to be influenced by a number of factors including the physical character of the commodities involved, administrative difficulty of determining any producers' equities at maturity, and the possibility of inequitable settlements among producers where the collateral is liquidated and settlements are made on an individual basis. Those pools which have been conducted appear to have been in consideration of these factors, but the main reason for this type of operation apparently has been for the purpose of distributing among producers the excess of sales proceeds, if any, over the Corporation's investment, plus applicable charges. Generally, such gains result from the higher price levels existing at the time of disposal over the prices in effect at the time the collateral was taken over in settlement of the loans.

Another aspect of the pooling process, in connection with mandatory loans on cotton, concerns the effect of pooling on the total benefits to farmers rendered by the Corporation. To the extent that producers participate in the gain from pooling operations, they receive benefit in excess of the guaranteed price support and potentially in excess of parity. It is the view of the Corporation that, with parity as the ultimate objective, and price support being fixed at less than parity, pooling does no violence to the intent of the Congress. It should be noted that pooling operations applied to cotton only.

The principal pools conducted by the Corporation have resulted from wheat and cotton loans. The proceeds from the disposition of wheat pooled from the 1938, 1939, and 1940 loans were insufficient to cover costs, and no equity remained for the producers. The cotton pooled from the 1938, 1939, and 1940 loan programs was disposed of prior to June 30, 1945, and resulted in a recorded gain of \$1,277,083 (before deduction of applicable charges). Of this amount, approximately \$700,000 had been distributed to participants in the pools by June 30, 1945. The remainder, representing the equity of unlocated participants and charges equivalent to interest on CCC's investment, was reflected as an account payable in the Corporation's accounts at that date. As the cumulative total net loss reported by the Corporation to June 30, 1945, did not reflect the operating results of these pools, they are not included in the summary of cotton pooling operations presented in schedule 21.

Of approximately 1,600,000 bales of cotton pooled from the 1941 and 1942 loan programs, some 411,000 bales were recorded as sold by June 30, 1945, at an over-all loss of \$1,685,540. This is the net amount of the loss of \$5,012,548 computed by Commodity Credit Corporation on sales to exporters less the recorded gain of \$3,327,008 on domestic sales. As shown on schedule 21, export sales were made at a discount of approximately \$5,000,-

000. The export loss was reflected by Commodity Credit Corporation at June 30, 1945, as a part of its loss on export activities. The computed gain of \$3,327,008 on domestic sales was applied by Commodity Credit Corporation against its total net loss to June 30, 1945. Subsequent to June 30, 1945, the entire amount of the export discounts was credited to the pools, so that an apparent net gain existed as of June 30, 1945. However, because this apparent net gain was less than the charges made by CCC for financing and conducting the pools, as determined on the basis of interest at the rate of 3 percent on the Corporation's investment therein, no equity for participating producers appears to have existed at that date. During the fiscal year 1947, the remaining cotton in these pools was disposed of and settlements were effected which resulted in distributions to producers of approximately \$5,000,000.

9. Subsidy operations: Broadly speaking, the net cost of any financial aid granted by Government to a private individual or enterprise for the purpose of promoting the public welfare may be termed a subsidy. By definition, and in a broad economic sense, all losses resulting from programs carried on by Commodity Credit Corporation can be classified as subsidies, except losses on a few programs from which only other departments and agencies of the Government benefited. The use of the term "subsidy" in statutes, congressional committee hearings, and Government agency releases indicates that substantial differences in meaning exist and that within the Department of Agriculture there has been no commonly accepted definition used consistently. For example, the discount and differentials granted or paid on commodities exported have been referred to frequently as subsidies, and the wool price-support program has been described as in effect a subsidy to producers. However, the Corporation did not so consider nor classify those costs in its financial statements.

A review of the programs classified as subsidies by the Corporation indicates that they consist of programs undertaken for the general purpose of enabling the maintenance of OPA ceiling prices, of disposal of surplus inventory (e. g., wheat for feed), of control of the end-use of commodities (e. g., peanuts and cotton linters), and of price support. A number of programs were multipurpose (e. g., the purchase of damaged 1942 wheat, for sale at reduced prices as feed, subsidized the buyers and supported prices to the sellers).

The dollar loss shown by the books at June 30, 1945, is attributed, for the most part, to those programs classified by the Corporation as subsidies.

Prior to the presentation of financial statements as of January 31, 1945, no segregation was made by the Corporation of the results of operations as between those attributable to subsidy programs and those attributable to other programs. While a segregation was made at that time and has been continued essentially unchanged, we believe this classification of programs and aggregates of programs as subsidies is unsatisfactory for the purpose of financial reporting, although we understand that it was made to comply with certain congressional requirements.

Several factors other than the ordinary wartime increases in costs, such as wages and supplies, appear to have necessitated a number of the programs undertaken for the general purpose of enabling the maintenance of OPA ceiling prices. The more important of these were increased prices to attain the production level considered by the Department or WFA to be necessary, the absorption of wholesale price increases occurring between the establishment of retail-price ceilings, and the establishment of wholesale-price ceilings, absorption of the relative inequity in the ceiling prices set on the end-use products of some commodities,

and transportation cost absorption because ceiling prices, based on average shipping costs, failed to compensate adequately for the long freight haul in the distribution of far West products.

In general, the programs classified by the Corporation as subsidies were carried out in four ways:

- (a) Direct subsidy payments.
- (b) Loss sales of commodities in inventory at less than cost, for special purposes.
- (c) Purchase of commodities and simultaneous or deferred sale to the original vendor at a reduced price.
- (d) Cost absorption.

Promptness of payment, particularly when dealing directly with farmers, and minimizing of direct administration appear to have been important or controlling factors in the selection of methods for the operation of subsidy programs. Most of the programs were actually carried on by agents. The methods used frequently resulted in prompt payments, and in some cases reduced the Corporation's investment, but delegated authority for direct administration to persons or agencies outside of the Corporation, and, in a number of programs, outside of the Department. There was a corresponding need for increased planning and specification of records to be maintained and accounting and over-all controls; implicit in such arrangements was the necessity of relying heavily on the ability of the Corporation to undertake the necessary administrative audits of agents' records; the Corporation apparently failed to recognize the importance of the foregoing. The substantial arrearage in auditing will never be completely overcome. In fact, a considerable number of audits have been waived by the Corporation in order to concentrate on current activities. The problem of ascertaining and recovering overpayments, which were made more likely by the lack of control over payments when made, is augmented by the fact that most of the programs were terminated during 1946.

It appears that there was some overlapping of purpose and duplication of benefits between the fluid milk, hay for dairymen, and corn ceiling price-adjustment programs on the one hand and the dairy production subsidy on the other. The dairy production payment rates were distributed on a basis intended to equalize production cost increases throughout the country, but the rates determined apparently did not reflect the benefits of subsidy programs already in operation in some areas. The duplication of benefits was recognized by the Corporation at the time the dairy production payment program was initiated, and indications are that an adjustment of payments was made in the New York area for the months of October, November, and December 1943 in recognition of the duplication of the fluid-milk subsidy. However, after December 1943, apparently because of the administrative difficulty of determining the incidence of the benefits from the indirect fluid milk subsidy, no further adjustment of dairy production payments was made. No reductions were made for either the corn or hay subsidy programs.

Proposals to limit the authority of the Corporation to engage in subsidy programs were introduced in the Congress a number of times. However, no limitations became operative until April 12, 1945, when certain limitations were placed on these operations for the fiscal year 1946. Section 6 of the Price Control Extension Act of 1946 (60 Stat. 664) permitted the continuation of these operations within specified limits during the fiscal year ended June 30, 1947. These limitations appear related to the programs undertaken for the purpose of maintaining maximum price ceilings, and required the termination of programs then considered as being carried on for that purpose when ceiling prices were no longer in effect. It is not

apparent that agricultural subsidies in the broader, over-all economic sense were prohibited by this legislation after the termination of price controls. Most of the programs classified by the Corporation at June 30, 1945, as subsidies were terminated with the expiration of price controls, chiefly during 1946. Those programs which had been classified as subsidies, and which were continued after the expiration of price controls, were reclassified to other activities, chiefly price support. Since the expiration of sugar price controls on October 31, 1947, the Corporation has not classified the results of any commodity program as a subsidy.

No funds were appropriated to the Corporation to cover the payment of subsidies, and no appropriations were authorized to be made with respect to periods prior to June 30, 1945. In general, funds borrowed from the Treasury of the United States, with interest, were used to cover the cost of programs classified as subsidies by the Corporation. Duty-free importations and the offsetting of certain gains against costs enables the Corporation to reduce substantially the borrowings required.

Commodity Credit Corporation financed and administered substantially all wartime subsidy programs relating to agricultural commodities. Defense Supplies Corporation of the RFC group allowed or paid subsidies relative to a few commodities (livestock, flour, butter, and sugar) but incurred a greater aggregate cost to June 30, 1945 (\$1,296,528,148). The DSC livestock and butter subsidies, payments for which aggregated \$1,097,714,119, were undertaken to effectuate reductions in retail prices in establishing retail price ceilings by OPA. The net recorded losses on programs classified as subsidies by Commodity Credit Corporation to June 30, 1945, amounted to \$1,282,923,640, distributed as follows:

Milk and dairy products----	\$768,420,737
Grain and grain products--	277,703,582
Fruits and vegetables-----	81,675,495
Oilseeds and products-----	83,319,634
Sugar-----	57,397,425
Beverages-----	5,758,692
Livestock production and	
meat-----	5,000,486
Miscellaneous (net gain)---	-1,352,411
Total -----	1,282,923,640

The total of the above tabulation does not represent the real net cost to June 30, 1945, of the programs classified as subsidy operations, either to the Government or to the corporation, as it is exclusive, in general, of any portion of the corporation's general overhead expenses and interest on borrowed funds and does not take into account the fact that certain items were imported duty free. (See item 10 following.)

Furthermore, certain other factors affected the total recorded subsidy losses to June 30, 1945. These consist of the following:

(1) The corporation was obligated under subsidy agreements for substantial but undetermined amounts not reflected in the results of operations to June 30, 1945. Provisions were made for estimated obligations at that date only with respect to two programs, dairy production and beef production, in the amounts of \$125,000,000 and \$5,000,000, respectively.

(2) Profitable purchase or supply programs were commingled with subsidy programs. Because of this situation, the cocoa programs resulted in a net profit. The stated cost of the coffee programs was substantially reduced because the subsidy aspects were not segregated.

(3) The cost of the subsidies allowed on vegetable oils and meals was reduced to \$6,870,180 by a profit of approximately \$6,000,000 on meal produced from 1942 crop oilseeds carried forward and sold in 1943 at increased OPA ceiling prices. In a somewhat

similar manner, the gain of approximately \$1,315,000 on the purchase and sale of grapes and substandard or damaged raisins was offset against raisin subsidy payments.

(4) The cotton inters program, which had an accumulated profit of \$1,441,755 to June 30, 1945, was included in the subsidy classification. Subsequent to June 30, 1945, this program was reclassified by the corporation to the nonsubsidy group.

(5) The loss on the Argentine corn importation program, which amounted to \$2,106,398 to June 30, 1945, was excluded from subsidy costs by the corporation. Subsequently, the corporation classified this program as a subsidy.

(6) The substantial subsidy allowed to peanut crushers (for oil) was obscured by offsetting the profits derived from sales of peanuts allocated for edible purposes and from the Argentine peanut-purchase program. As the result of this grouping of program results, a net credit or "profit" of \$1,316,839 was reflected in subsidy operations.

(7) Sufficient accounts were not maintained for the soybean program to permit of a suitable segregation of costs as between the subsidy and nonsubsidy aspects, and faulty procedures were used by the Corporation in allocating costs to the phases of the program for which accounts were maintained. Allowances for processing were reflected through discounts on sales; the amount of costs so recorded is not apparent in the accounts. As in the peanut subsidy (item 6), a profit in excess of \$5,000,000 on crude soybean oil, as determined under Corporation accounting procedures, was offset against subsidy costs.

10. Restrictions on the disposal of commodities: In the past, limitations have been placed upon the Corporation, by legislation, with respect to the methods and terms of disposal of owned or controlled commodities. As an illustration, effective July 31, 1939, cotton sales were limited to 300,000 bales per month and 1,500,000 bales in any calendar year, and the recoupment of all related costs was required. Partly as a result of these restrictions, sales of the large inventory of cotton acquired in 1939 were curtailed during the early war period. These restrictions were suspended by the act of April 12, 1945. The large inventory of cotton accumulated during the effective period has been disposed of, in general, at war-induced high prices; the Corporation appears to have profited from its inability to dispose of the cotton during the earlier years at the much lower prices then obtainable. However, it appears that the reimposition of such limitations might cause the accumulation of another large surplus inventory of cotton.

Another significant restriction has been the prohibition, since 1943, of sales of commodities at less than parity or comparable prices. The act of April 12, 1945, continued this prohibition to a date subsequently determined to be December 31, 1948. The effect of this prohibition has not been material, except in the case of wool, because the demands of the war or the supply programs operated by the Corporation have provided outlets for owned or controlled commodities at prices in excess of the related parity or comparable prices. A number of exceptions to this prohibition had been granted from time to time by the Congress between 1943 and June 30, 1945, the more important of which have permitted the sale of wheat at reduced prices for feed and alcohol (the cost of these subsidies to June 30, 1945, according to the Corporation, was \$260,100,000), disposal abroad of surplus agricultural commodities, disposal for new or byproduct uses, and disposal to prevent deterioration. Other changes in this type of restriction are contained in legislation enacted subsequent to June 30, 1945.

Operational limitations of these types, while they give effect to the will of the Con-

gress, necessarily limit the discretion of operating officials and reduce the extent to which the management of the Corporation can be held responsible for the results of operations.

11. Importations made free of duty: In considering the financial results of the various programs, it should be noted that the Corporation exercised the privilege of making importations free of duty.

The privilege of making importations free of duty originated in legislation enacted in 1914 in order to enable the Secretary of the Navy to avoid the payment of duties on repair parts or war materials purchased abroad to be brought to the United States for research or testing purposes. On May 30, 1942, the President, by Executive Order 9177, vested in certain other officials, including the Secretary of Agriculture, the authority of the Secretary of the Navy to make emergency purchases of war materials abroad and to import them free of duty. The Secretary of Agriculture, in turn, delegated this authority to Commodity Credit Corporation.

The Corporation has not exercised the privilege since January 1, 1947, and the authority of the Secretary of Agriculture to make importations free of duty was terminated by Executive Order 9903, November 12, 1947.

The result of the exercise of this authority to make duty-free importations has been a saving in costs to the Corporation of an estimated \$150,400,000 to June 30, 1945. These cost-savings either increased program gains or reduced program losses correspondingly, and likewise decreased the Corporation's borrowing requirements from the Treasury.

12. Accounting weaknesses and improvements: Our examination of the affairs of Commodity Credit Corporation was seriously impeded by major deficiencies in accounting policies and procedures and methods of financial reporting. In this connection, however, many improvements in accounting procedures have been put into effect subsequent to June 30, 1945, as commented on beginning on page 36.

To June 30, 1945, the Corporation had not developed adequate control over financial and operating responsibilities through accounting. The accounting records and the record-keeping procedures were not utilized by the management as an instrument of control over the assets and liabilities and over revenues and costs to the extent we believe to be desirable.

The primary causes of the failure of the accounting function were found in the manner in which the functions of the Corporation were intermingled with others of the Department of Agriculture, the apparent lack of appreciation by the management of the necessity for accurate financial reporting, and difficulties inherent in the operating characteristics of programs. These factors are commented upon previously, particularly in items 2, 3, and 4.

Another cause, largely corollary to the above, was the lack of accounting influence in the preparation of program plans, announcements, or contracts. We believe greater participation by accountants could have reduced operating, accounting, and auditing problems.

Many factors prevented a satisfactory audit of the affairs of Commodity Credit Corporation for the period ended June 30, 1945, among the more significant of which were:

(a) The basic records for the receipt and payment of cash funds maintained in the general ledger could not, in the aggregate, be reconciled with the records of the Corporation's treasurer as of June 30, 1945. (See p. 50.)

(b) The Corporation did not maintain adequate control over amounts recorded as being receivable or payable. It was not possible in many instances to determine who owed amounts purporting to be receivable or

to whom amounts recorded as owing were due. It also was not possible to determine that all amounts owed to or by the Corporation were reflected in the accounts.

(c) A substantial portion of commodities owned by the Corporation at June 30, 1945, were assigned values based upon cumulative average unit costs. The use of this method resulted in an unsatisfactory evaluation of inventory on hand and misstatement of operating results.

(d) Accounting control exercised by the Corporation over inventories was generally unsatisfactory, particularly in the case of the general commodities purchase program. Procedures by which sales were recorded and arrearages in documentation prevented any effective control over the conversion of inventory to receivables and their subsequent liquidation by receipt of cash.

(e) Systematic cut-offs in the recording of purchases and sales for many of the programs were not observed at the end of each accounting period.

(f) The Corporation did not exercise satisfactory control over its investment in fixed assets, particularly grain bins and related equipment. Records were not maintained in such a way as to enable the Corporation (or us) to know the location or condition of such assets, whether, in fact, they were still owned by the Corporation, or whether all income resulting from rental or sale had been received.

(g) One of the results of accounting procedures followed was the excessive use of suspense accounts to record items whose final disposition could not be determined in a current routine manner. In many instances, no control was exercised over entries to such accounts; they were not reconciled nor were the items disposed of promptly.

(h) The Corporation made virtually no use of accounting mechanisms or procedures to effect control over its affairs internally, and to June 30, 1945, no significant use was made of internal auditing.

Contributing to the foregoing was the lack of a satisfactory chart of accounts and manual of accounting instructions; furthermore, there was no uniform means of promulgating such accounting instructions as were issued.

Financial statements submitted by the Corporation as at June 30, 1945, in many respects, were not informative. While they consisted, in general, of a balance sheet and a condensed statement of income supported by a summary of program results, no operating detail other than the net loss or gain by commodity programs, segregated as between subsidy and other, was provided. Interest income and provisions for inventory losses were excluded from the results of program operations as reported by the Corporation. Furthermore, as previously mentioned in connection with subsidy operations, the reported operating results of individual programs, in general, were exclusive of any portion of the Corporation's general overhead expenses and interest on borrowed funds, which, though substantial, were not allocated on the books of the Corporation to individual programs or groups of programs. We believe that the allocation of such expenses to individual programs is highly desirable, so that the reported operating results of individual programs may provide an indication of the effectiveness with which the programs were administered from year to year, and in order that they may reflect the net cost in relation to the accomplishment of the programs.

It should be noted that the Corporation is not in accord with these views. It states that it follows an accepted accounting practice by treating interest as an over-all financing charge, because, in its opinion, interest can only be distributed to programs by arbitrary assumptions of questionable validity. Furthermore, the Corporation deems that the

allocation of overhead to individual programs is impractical because of the many programs and varied types of operations handled by one working group, which would require arbitrary estimates and prorations to such an extent that the result would be of little value and would require an elaborate cost system.

Besides this circumstance, the total amount of recorded overhead costs did not represent the full costs of administration of the Corporation's activities, because there were excluded from the accounts costs borne by other Government agencies. For example, during the fiscal year 1945 the cost of administering purchase and sale operations conducted on behalf of lend-lease was borne directly by lend-lease funds in the approximate amount of \$3,531,000. In addition, expenses identical in character with operating expenses often were classified otherwise in the accounts.

To some extent the Corporation's financial statements were on a cash basis, transactions having been recognized in the underlying accounts only at the point in time when they resulted in the receipt or disbursement of cash. In addition, there were delays in the reporting of transactions, including cash transactions, and further delays in disposing of accounting data. The amounts of assets, liabilities, revenues, and expenses which were omitted from, or improperly classified in, the Corporation's financial statements as the result of these circumstances were not determinable. Unrecorded liabilities are known to have existed, but no representations can be made concerning either their aggregate amount, which we believe was substantial, or their effect upon the financial statements. Furthermore, there was an incomplete consolidation of the accounts of War Hemp Industries, Inc.

The financial statements included in this report were prepared by us from the books and records of the Corporation and represent an attempt to make as informative a presentation as possible. To the extent that we could identify items of interest and general overhead expenses, they have been allocated to individual programs. The remainder, in the amount of \$108,159,076, is designated on exhibit 2 as general overhead and interest expense. However, it was not practicable to attempt correction of fundamental deficiencies, because to do so would have necessitated expanding the scope of our examination to a degree not practical and would have resulted in the unavoidable assumption of some of the responsibility of management. It is primarily the duty of auditors to review complete accounting data and no part of their duty to undertake accomplishment of the accounting function or otherwise relieve management of its responsibility therefor.

Our conclusions concerning the accounting situation existing in the Corporation at June 30, 1945, may be expressed, in general terms, as follows:

(a) The accounting procedures and financial reporting policies did not provide a satisfactory medium of control over the assets, liabilities, income, and expenses of the Corporation.

(b) The chief accounting officer was not required to furnish timely, reliable data helpful to operating officials.

(c) The Corporation had not adopted a body of sound accounting policy reflecting the application of recognized principles for the presentation of statements of its financial position or the operating results of its activities.

(d) Internal controls were generally lacking or were not utilized satisfactorily; internal audit activity was practically nonexistent.

However, even under these conditions, a presentation of financial statements with informative discussion is, in our opinion, of

value in setting forth, to some extent, the results of activities of the Corporation and requirements for corrective measures. We are aware of numerous adjustments which could have been made; however, except for the treatment as income of \$139,171,171 reserved by the Corporation for possible losses on the general commodities purchase program, no adjustments are reflected in the accompanying statements. Except for the adjustment noted, the "excess of subsidies and losses over net gains," as shown in exhibit 2, is equal to the "excess of expenses and other charges over income," as reflected by the Corporation's operating statement.

It should be pointed out that, notwithstanding the accounting deficiencies discussed, the officials of the Department of Agriculture and the Corporation recognized the desirability of having the General Accounting Office perform a so-called commercial-type audit of its financial transactions. Representatives of the Department, working jointly with those of the General Accounting Office, drafted legislative provisions enacted in the act of February 28, 1944 (58 Stat. 105), which contained a provision directing the Comptroller General to make such an audit for each fiscal year, commencing with the fiscal year ending June 30, 1945. In February 1945 requirements for a similar audit were imposed with respect to all Government corporations, and in December 1945 the Government Corporation Control Act was approved, reaffirming the application, though broadening the definition, of the commercial-type audit principle.

Because of the lapse of time since the date as of which this examination was made, and in order to recognize corrective efforts by present officials, many of whom were not associated with the Corporation during the period covered by the examination, we believe it to be desirable to discuss, briefly, improvements in the accounting function subsequent to June 30, 1945.

The Corporation has given increased recognition to the importance of sound accounting policies and procedures, has augmented its accounting staff, and appointed a controller in April 1947, who was made an officer of the Corporation on May 12, 1947. In December 1945 the Office of Audit of PMA was established and assigned the responsibility for internal auditing relative to CCC. Since that date, substantial improvements have been noted in internal audits and examinations.

Procedure revisions have brought about greater coordination between field offices and Washington, the control over accounting matters has been improved, and the assignment of responsibility for record keeping as between the Corporation and its agents has been clarified considerably.

The use of agents has been curtailed considerably, chiefly because a number of programs in which they were used extensively have been terminated. Relative to remaining programs in which agents are utilized (still a large segment of corporate activities), considerable effort has been directed toward obtaining satisfactory control over their operations. Fiscal agreements, accounting methods, procedures, and forms are being reviewed and improved, and through field supervision their installation and operation more closely controlled. With the exception of current cotton-loan programs, the Federal Reserve banks have been made merely cash receiving and paying agents. Accounting procedures to be followed by State and county agricultural conservation committees are now being prescribed by corporate accounting officials.

Current accounting for program operations is on a fiscal-year basis, and it appears that considerable progress has been made in the application of the principles of accrual accounting, including the use of reserves. The Corporation has established a series of

publications as a means of providing personnel with policy and procedure guides concerning account classification, detailed accounting procedures, and reporting instructions. In September 1947 the Corporation, after considerable study, issued a statement of accounting policies and practices which in the main establishes a body of sound accounting policy.

The Corporation took steps during the fiscal year 1946 to obtain control over the accounting for the receipt and disbursement of cash, and by June 30, 1947, had adjusted the differences arising from cash transactions prior to July 1, 1946. Cash balances arising from transactions subsequent to June 30, 1946, have been reconciled with records of the depositaries on a current basis.

During the fiscal year 1946 the "first-in, first-out" method of inventory pricing was adopted for a number of commodities, particularly grains. An individual lot-cost method is in use for some commodities, principally processed foods. This should result in a more acceptable assignment of costs to inventories and sales, insofar as those commodities are concerned. However, to June 30, 1947, the cumulative average unit cost method was still followed in connection with cotton.

Considerable progress has been made by the Corporation since June 30, 1945, in the proper accumulation of underlying accounting data to facilitate the preparation of informative financial statements. Continuing effort should result in further refinement and improvement, and financial statements in the future should be progressively more satisfactory.

In closing these general comments, the following observations appear to be pertinent:

The Corporation's organization was subjected to great strain as a result of the problems created by the war, the need to move swiftly in undertaking many programs, and the acute need for skilled and highly specialized personnel. The imperfections in organization, accounting, and operations which resulted became difficult to appraise in the light of these circumstances, and there is a tendency toward using hindsight too freely or undervaluing the circumstances which prevailed. We have attempted to weigh fairly these factors and, although some of our criticisms are severe, it is not our intention to undervalue the responsibilities undertaken and carried out by the Corporation during the war or to cause the contribution made by the Corporation during peace and war to be overlooked or discounted.

In an endeavor of this nature it is unavoidable that certain operations or features deserving of commendation will escape specific treatment in order to make room for constructive criticism of others. All our efforts have been grounded on a desire to be helpful to the Congress and the Corporation in disclosing significant facts and conditions and suggesting remedies within the purview of our duty as professional auditors, and under the law.

RECOMMENDATIONS

Reference has been made earlier in this report to the integration of the activities of the Corporation with other programs of the Department of Agriculture. Department and Corporation representatives have stated that this commingling of activities is for the purpose of accomplishing the objectives of various statutes without overlapping or duplicating effort.

While this method of operating is a part of the Department's plan for conducting a coordinated agricultural program, it places the Corporation in an organizational pattern that is quite different from the position of Government corporations generally in carrying out their purposes.

With few exceptions, Government corporations have been so organized as to be independent units, either within or without the framework of other departments or agencies. In most instances, even when corporations are placed within departments, they exercise varying degrees of independence. This independence and separateness is there thought to be fundamental in order that the Board of Directors, acting independently for the Corporation, may conduct the affairs of the Corporation in an impartial manner and in the best interests of the objectives of the Corporation.

A corporation's entity is normally distinguishable. Its operating policies are independently formulated within the framework of the powers and authority; its cost of fulfilling its purposes (which is very significant) can be reasonably determined; its Board of Directors can be free to carry out its purposes and can be held strictly accountable for their stewardship and management of the affairs of the Corporation. Since, under these conditions, costs of conducting the activities of a corporation can be reasonably determined, budget presentations can be made significant and realistic, and, under such conditions intelligent controls thus maintained by the Congress.

We feel that a corporation, even though it is placed within a department, should be in a position to operate in the most independent manner compatible with its mission, with complete management responsibilities (including the responsibility for policy making and general supervision) vested in its Board of Directors. The day-to-day operations of the Corporation should be placed in the hands of a full-time staff of executive officers, headed by the president as chief executive appointed by and responsible to the board.

We were requested to submit our recommendations to the subcommittee of the Committee on Agriculture and Forestry, United States Senate, and the House Banking and Currency Committee considering the new Federal charter required for Commodity Credit Corporation, on which hearings were held early in 1948. Our recommendations covered the powers, authority, responsibilities and duties, organization, financing, and control of the affairs of the Corporation.¹ The Charter Act (Public Law 806, 80th Cong., approved June 29, 1948) contains a number of provisions similar to or consistent with these recommendations; for example, those pertaining to the appointment and organization of the board of directors and the executive staff and the charging of interest on capital.

It can only be concluded at this time that the differences in the views of the General Accounting Office and those of the Corporation with respect to the manner in which the Corporation should be organized and managed stem from the basic fundamental concept of whether the activities conducted by the Corporation are the sole responsibility of the Secretary and whether the agricultural program of the country is to be recognized as the program of the Secretary.

If this be the desire of the Congress, then there is for consideration the need for the existence of the Corporation as such, and we would be in substantial agreement with the Department of Agriculture that the responsibility for the activities now carried on by the Corporation be vested in the Secretary.

Should the Congress, however, wish to have the usually desirable system of checks and balances govern the activities of the Corporation—and a need for its continuance is evident—then we recommend for the consideration of the Congress those attributes normally present in the corporate structure with respect to its organization, management, and financing.

It should be noted that the Corporation, under its broad charter authority, and in certain cases under specific provisions of existing laws, undertakes many different programs. We also recognize that under the provisions of Public Law 897, approved July 3, 1948, the Secretary of Agriculture will, on January 1, 1950, become responsible to a greater degree for an important segment of the activities of the Corporation. It should further be pointed out that in certain other laws it is the Corporation that is given the responsibility for carrying out certain programs, rather than the Secretary of Agriculture.

Thus, then, there may be some doubt as to where the real responsibility lies for carrying out the entire operating program of the Corporation. It is for the Congress to make this determination and then provide legislation that will insure that authority will conjoin responsibility in conducting all operations of the Corporation, which embrace such vast sums of public funds and affect so many millions of Americans, both within and without the agricultural sphere.

ORIGIN AND PURPOSE

The creation of Commodity Credit Corporation was directed by Executive Order 6340, dated October 16, 1933. As authority for this order, the President cited the National Industrial Recovery Act, dated June 16, 1933 (48 Stat. 195), which provided, in section 2 (a) of title I, for creation of the agencies necessary to effectuate the policies of the act. The Corporation was chartered under the laws of the State of Delaware on October 17, 1933.

The original purpose of the Corporation was indicated as the performance of functions and services aimed at benefiting the public welfare during the period of the emergency existing "by reason of widespread distress and unemployment, disorganization of industry, and the impairment of the agricultural assets supporting the national credit structure." The National Industrial Recovery Act was one of seven acts to which Executive Order 6340 referred in outlining the purposes of the Corporation. The certificate of incorporation cited as objects and purposes the doing of any or all things necessary to accomplish the purposes of these acts:

1. The Agricultural Adjustment Act, approved May 12, 1933 (48 Stat. 31).
2. The National Industrial Recovery Act, approved June 16, 1933 (48 Stat. 195).
3. The Federal Emergency Relief Act of 1933, approved May 12, 1933 (48 Stat. 55).
4. Reconstruction Finance Corporation Act, approved January 22, 1932 (47 Stat. 5).
5. The Federal Farm Loan Act, approved July 17, 1916 (39 Stat. 360).
6. The Farm Credit Act of 1933, approved June 16, 1933 (48 Stat. 257).
7. The Emergency Relief and Construction Act of 1932, approved July 21, 1932 (47 Stat. 709).

Almost immediately after its creation, the Corporation assumed an important role in the extension of financial aid to agriculture. This was done initially through the granting of commodity loans, later by outright purchases and direct payments.

The organization and operation of Commodity Credit Corporation was only one of a number of early actions in the interest of agriculture. In 1929 the Federal Farm Board, which came into being through the

Agricultural Marketing Act of 1929 (46 Stat. 11), had been furnished operating funds and a revolving fund of \$500,000,000 for the purpose of stabilizing prices of wheat and cotton. Stabilization efforts began with loans to cooperative associations and stabilization corporations, but prior to 1931 loans had been discarded in favor of direct purchases. The board soon owned enormous quantities of both wheat and cotton. However, the acquisition of these large supplies had checked only temporarily the downward plunge of prices, and it became apparent that effective maintenance of income and prices required more than the governmental acquisition of surpluses. Attention was therefore given to the feasibility of preventing crop surpluses through production control. This was pioneered and carried on through the Agricultural Adjustment Acts (48 Stat. 31; 52 Stat. 31) and the Soil Conservation and Domestic Allotment Act (49 Stat. 1148). Pursuant to these acts, a number of acreage controls and farming practices have been prescribed or urged, and soil conservation payments and nonrecourse loans authorized or directed by the acts have been paid in whole or in part depending upon compliance therewith.

Many other aids to agriculture were made available, including those through—

1. Federal land banks and Federal Farm Mortgage Corporation. Mortgage loans were made available for long terms at low rates.
2. Production credit corporations. Intermediate credit was made available for financing the production and acquisition of livestock, equipment, and crops.
3. Cooperative marketing and processing associations. These associations, which were Government sponsored and in some cases Government financed, assisted in the production and orderly distribution of agricultural commodities.
4. Farm Security Administration. Loans were made available to tenants, share croppers, and farmers where conditions were such that normal credit risks would ordinarily bar the loans.
5. Rural Electrification Administration. Loans were made to farmers' cooperatives, permitting construction of rural electric lines and distribution systems.
6. Federal Crop Insurance Corporation. Insurance which could not be obtained from commercial companies was made available on certain crops under conditions and at rates highly beneficial to the farmer desiring protection against crop loss.

7. Programs authorized by the Secretary of Agriculture, financed by funds provided under the provisions of section 32 of the act of August 24, 1935 (49 Stat. 774). This section appropriated for the use of the Secretary funds equal to 30 percent of the annual customs receipts. Funds so appropriated are directed to be used to encourage exportation and domestic consumption of agricultural commodities and to assist in reestablishing the purchasing power of farmers.

The Delaware charter of Commodity Credit Corporation was much more comprehensive than the Executive order providing for its creation and included many broad clauses both as to purposes and powers. Among the most important of these were:

1. To purchase, or otherwise acquire, to hold, or otherwise to deal in, to sell or otherwise dispose of any and all agricultural and/or other commodities, and/or products thereof, and to loan and/or borrow money upon the same.

2. To enter into, and to encourage farmers, producers, and others to enter into, marketing plans and agreements and to cooperate in any plan which provides for reduction in the acreage or reduction in the production for market of agricultural commodities.

¹ See hearings on the Federal reincorporation of Commodity Credit Corporation (H. R. 6263, 80th Cong.) before the House Committee on Banking and Currency (pp. 194, 195), and on Commodity Credit Corporation Charter (S. 1322, 80th Cong.) before the Senate Committee on Agriculture and Forestry (particularly pp. 148 to 162, inclusive).

3. In general, to have and to exercise all the powers and privileges conferred by the general corporation laws of Delaware upon corporations, and to do all and everything necessary, suitable, and proper for the accomplishment of any of the purposes or for the attainment of any of the objects or for the furtherance of any of the powers herein set forth, either alone or in association with other corporations, firms, agencies, or individuals, and to do every other act or thing lawfully incident or appurtenant to or growing out of or connected with any of the aforesaid objects, purposes, and/or powers.

The certificate of incorporation provided for perpetual existence of Commodity Credit Corporation, although the National Industry Recovery Act provided that any agency established thereunder should cease to exist at the expiration of 2 years from the date of passage of the act. The continued operation of Commodity Credit Corporation as an agency of the Government was authorized from time to time by the Congress, its expiration date under the Delaware charter being June 30, 1948.¹ The act of January 31, 1935 (49 Stat. 4), made the first extension, and all other continuances were amendments to this act.

With the coming of war, production control aims of the Department of Agriculture were supplanted to a great extent by new purposes. Commodity Credit Corporation was utilized by the War Food Administrator and the Secretary of Agriculture in discharging many of their responsibilities for procurement of agricultural commodities for lend-lease and for the armed forces and for taking various actions deemed advisable to insure a sufficiency of production. This activity involved extensive use of subsidies and direct purchases.

FINANCIAL STATEMENT PRESENTATION

The financial statements included in this report were prepared by us from the books and records of the Corporation and its affiliate, War Hemp Industries, Inc.

The Corporation's accounting for program operations was not on a fiscal year basis but was cumulative for each program; furthermore, because transactions were not all recorded in the year in which they were consummated and because the accrual basis of accounting for losses and expenses was not fully observed, it has been impossible in the past to derive reasonably accurate data as to each fiscal year's operations; hence all operating statements included herein are presented on a cumulative basis. Furthermore, the underlying accounts from which financial statements were prepared contained substantial errors resulting from the adherence to unsound accounting policies and from faulty adherence to procedures.

Other factors have obscured the real costs of many of the Corporation's programs. Principal among these were the manner of recording the effect of the exercise of the free-of-duty importation privilege, the offsetting of gains against losses in reporting the apparent costs of several of the programs classified as subsidy, and the accounting policies then in effect relative to accruals, reserves, and inventory pricing. In addition, and in common with Government corporations generally, operating results of the Corporation from inception to June 30, 1945, as reflected in its books and records, are exclusive of the following costs:

1. Employees of the Corporation were covered by civil-service regulations and contributed to the United States Civil Service Retirement Fund, to which the Government also made substantial contributions. The Corporation made no contribution to the fund and therefore did not bear its pro-

portionate share of the Government's costs for these purposes.

2. The Corporation did not bear the cost of any payments made on behalf of corporate employees from the United States Employees' Compensation Fund, Federal Security Agency.

Furthermore, by virtue of the act of March 8, 1938 (52 Stat. 108), the Corporation is subject to taxation only on real property and is exempt from all other taxation by any taxing body.

Sufficient information was not available to permit the preparation of a consolidated statement of income showing sales, cost of sales, other income and expenses, and other items in the orthodox manner. Therefore, we have summarized in exhibit 2, "Statement of recorded gains, losses, and subsidies," the results of operations relative to each commodity. The primary consideration in the preparation of exhibit 2 was the desire to reflect the results of the Corporation's activities, first, by broad objectives (price support, supply, export, foreign purchase, etc.), and, second, operationally by the manner in which the attainment of these objectives was sought. To accomplish the latter, segregation by the four broad types of operation—lending, subsidy, trading, and pooling—was adopted. The segregation of programs by objectives used by the Corporation in the presentation of its budget for the fiscal year 1947 was utilized, with certain deviations. The budget presentation as then devised, and adhered to since, resulted in the display of considerably more financial data as well as a segregation of programs. In the retroactive application of this segregation to the cumulative results of operation to June 30, 1945, the following difficulties, among others, were encountered:

1. Virtually all programs of the Corporation had one or both of two principal objectives—price support or supply. Between these it was not always possible to distinguish the precise nature of the program, particularly during the war period.

2. Acquisition and disposal in price-support activities frequently accomplished the objective of supply.

3. Programs aimed at obtaining supplies through direct purchases frequently accomplished also the objective of price support.

4. Export activities designed to remove surplus agricultural commodities from domestic markets also accomplished the objective of price support.

5. Foreign purchase activities accomplished the objective of supply and appear to be but a phase of supply activities, except to the extent that they had as their principal objective the support of the agricultural economy of foreign nations. This was the stated purpose of some programs conducted in the Latin-American countries.

6. Subsidy programs may have resulted in the accomplishment of the objectives of either price support or supply.

7. At any point in time, the objective of a program may have changed from one of price support to supply or vice versa.

The above conditions also indicate the impossibility of distinguishing the results of the Corporation's activities between the periods of peace and war. This conclusion is strengthened when consideration is given to the effect of the war on the disposition of commodities acquired as the result of prewar operations (notably cotton), and the continuation through the war period of price-support programs both directly and as a result of supply programs.

In attempting to make the summary of program results (exhibit 2) informative and yet retain as great a degree of simplicity as possible, we have deviated from CFC statement presentation in some respects. Chief among these are:

1. Subsidies were eliminated as an objective of any group of programs. It is illogical to impute to subsidy activities an objective in themselves. A subsidy program, regardless of the manner of achieving the subsidy, can be only a method of attaining an objective beyond the granting of subsidy. As explained on page 24, it was not possible to provide a basis in the accounts for classification of these programs by objective according to usual accounting principles. For the sake of simplicity, the results of subsidy operations have been related generally to commodity programs already grouped among price-support activities. It should be recognized, however, that not all these operations had as their objective the support of commodity prices.

2. Loans to the Secretary of Agriculture have been eliminated as a major activity. Interest earned as a result of these loans was relatively insignificant and has been treated as a reduction of unallocated interest expense.

3. Programs relating only indirectly to a commodity or activity have been segregated under a separate caption indicating them to be only financing or servicing in nature.

Individual statements of income and expenses for significant programs or groups of programs, by commodity, by type of operation, were prepared where possible; when considered informative, summaries of program results were prepared. In the preparation of the individual statements of income and expenses, our effort was directed toward identifying and matching costs and revenues. This, among other considerations, was accomplished insofar as the character of underlying accounts would permit. To the extent that they are identifiable, items of interest income, interest expense, general overhead expenses, and provisions for inventory losses are reflected in the operating results of individual programs. It is recognized that inaccuracies probably still exist which would be removed only by analysis to an extent not considered practical. No adjustments have been applied to the accounts representing cumulative losses to June 30, 1945, except that we have treated the entire net income from the general commodities purchase program as a reduction of losses whereas the Corporation deferred recognition of a large portion of such income. This adjustment amounted to \$139,171,171. (See p. 36.)

While many substantial errors were disclosed by our examination¹ that would require adjustment of the financial statements of the Corporation and the results of its operations, no adjustments, except that mentioned in the preceding paragraph, were made therefor because of the realization that only a part of the errors were disclosed as a result of our examination and that it was impracticable to expand the scope of the examination to reveal and adjust errors to the extent necessary to permit us to present financial statements concerning which we could express a definite opinion. In other words, it is a primary responsibility of the management to keep accurate and adequate accounts as a basis for audit, and it is both impracticable and undesirable to relieve the management of such responsibility through the audit process.

COMMENTS ON FINANCIAL POSITION

The recorded financial position of Commodity Credit Corporation at June 30, 1945, adjusted to reflect the gain on the general commodities purchase program as a reduc-

¹ Many cases could be cited, but it is felt that no useful purpose would be served thereby. Detailed comments with respect to the operations of the various programs are on file in the General Accounting Office.

¹ A new Federal charter was provided by Public Law 806, 80th Cong.

tion of the deficit resulting from operations, is summarized as follows:

Net assets:	
Cash.....	\$44,154,115
Accounts and notes receivable.....	528,868,297
Loans to aid agriculture.....	314,279,220
Inventories of commodities.....	1,220,131,836
Equipment, leasehold improvements, etc.....	6,028,203
Other assets.....	44,679,003
Total.....	2,158,140,674

Deduct:	
Accounts payable, advances, and accrued liabilities.....	494,598,691
Suspense items.....	9,128,134
Subtotal.....	503,726,825
Total.....	1,654,413,849

Represented by:	
Investment of the United States:	
Capital stock held by United States Treasury.....	100,000,000
Notes payable to United States Treasury.....	1,591,000,000
Total.....	1,691,000,000
Deficit resulting from operations from inception less restoration of capital impairment (\$400,715,405).....	779,568,135
Investment of the United States (net).....	911,431,865

Loans payable and other demands obligations to lending agencies:	
Due to banks for cooperatives (Farm Credit Administration corporations).....	21,256,279
Other bank loans.....	430,471,846
Certificates of interest in cotton note pools.....	205,218,600
Obligation to purchase loans made by private lending agencies.....	86,035,259
Total.....	742,981,984
Total, as above.....	1,654,413,849

Comment relative to specific balance sheet items is contained in the following paragraphs.

Cash

The cash funds of the Corporation at June 30, 1945, are summarized as follows:

In checking accounts with the U. S. Treasury:	
Capital funds.....	\$29,503,829
Funds for the payment of administrative expenses.....	1,005,795
	30,509,624
On special deposit in the U. S. Treasury:	
Employee deductions for the purchase of war bonds.....	21,872
Employee deductions for Federal income taxes.....	114,980
	136,852

In checking accounts with banks:

Federal Reserve Bank of Chicago.....	\$706,432
Bank of Brazil, Rio de Janeiro.....	104,228
	810,660
Cash receipts not deposited.....	12,696,979
Total cash funds, as shown in exhibit 1.....	44,154,115

The amount shown above as available for the payment of administrative expenses was established from capital funds and disbursed only by the Division of Disbursement, United States Treasury. Any balance unexpended is returnable to capital funds after a period of 2 years following the close of the fiscal year for which made available.

The amount of capital funds, \$29,503,829, was capable of being reconciled with the records of the Treasury at June 30, 1945; however, the program classification accounts in the general ledger, which reflected the receipt and payment of cash funds, could not be reconciled in the aggregate with the cash records of the Corporation maintained independently, based on advices received from the depositaries. This was due to the existence of a number of items, some of substantial amount, the nature of which was not known. In the balance sheet, exhibit 1, these have been included in the net amount of suspense items which is composed of numerous undistributed and unallocated charges and credits, many of which affected cash receipt and disbursement transactions. Some of these items came into existence in 1944, when records were taken over from the Federal Reserve banks, and represent differences between bank and Commodity Credit Corporation records which were never reconciled or adjusted. Corporation officials have stated that a complete reconciliation will never be made as, in their opinion, the time and effort would not be justified. A considerable portion of the cash difference, however, cannot be attributed to the transfer of records from the banks, but is a result of the unsatisfactory control exercised over the accounting for cash receipts and disbursements.

Accounts and notes receivable

The accounts and notes receivable owing to the Corporation at June 30, 1945, are summarized as follows:

Arising from sales:	
General commodities purchase program.....	\$366,643,129
Other.....	155,680,315
Claims and miscellaneous receivables.....	5,934,374
Peanut seed matured notes.....	889,212
Due from producers.....	92,681
Advances and deposits (hemp).....	28,586
Total.....	529,268,297
Less reserve for losses on peanut seed notes.....	400,000
Total.....	528,868,297

This amount is presented in the balance sheet, exhibit 1, as follows:

Due from Government agencies.....	\$369,837,332
Due from others.....	159,030,965
Total, as above.....	528,868,297

The segregation of receivables between those due from Government agencies and others was made by the use of data presented by the Corporation as a basis. The accounts maintained did not provide an adequate medium for such a segregation, and the seg-

regation made by the Corporation could not be supported in full by analysis.

The amount of \$366,643,129 recorded as due from sales made in the general commodities purchase program could not be supported nor verified. The recorded balances of individual accounts are subject to qualification as a result of faulty application of accounting policies and poorly devised procedures. Amounts recorded as owing from sales made in this program were recorded on the basis of quoted prices on the date of recordation, while billings to customers were based upon the quoted price as of the date of delivery. Adjustments frequently were not made. In a number of cases, entries for quantities sold (with associated values) were based upon representations made by the purchaser and could not be supported by documentary evidence. In the case of certain other programs, it was also impossible to support or verify recorded balances of receivables, particularly in the case of claims and miscellaneous receivables.

Loans to aid agriculture

Loans outstanding at June 30, 1945, are summarized from schedule 5, as follows:

Commodity loans:

Basic commodities:	
Cotton (2,567,564 bales).....	\$251,654,330
Wheat (21,983,355 bushels).....	30,808,073
Corn (18,753,218 bushels).....	16,731,894
Tobacco (2,780,204 pounds).....	856,919
Total.....	300,051,216
Steagall commodities.....	608,808
Other commodities.....	3,799,719

Total commodity loans.....	304,457,743
Loans for operating expenses, equipment, and facilities.....	4,114,320
Accrued interest and storage charges relating to loans held by private lending agencies.....	5,707,157

Loans outstanding as shown in exhibit 1.....	314,279,220
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The total amount of loans outstanding as shown above includes \$86,035,259 applicable to loans which were made by private lending agencies under CCC loan programs and which the Corporation was obligated to purchase at maturity in the event of default by the borrower or on demand by the holder. The Corporation followed the practice of reporting loans made and held by lending agencies under CCC loan programs as a part of total loans outstanding, and showing the corresponding obligation to purchase as a liability. Although, according to its attorneys, the various lending agencies participating in these loan programs were not legal agents of the Corporation, loans held by such agencies were regarded by the Corporation as loans of CCC for reporting purposes. These loans were made in connection with CCC loan programs under terms and conditions prescribed by the Corporation, primarily on the credit of the Corporation. In the interest of showing the extent of its various loan programs, the Corporation included them in total loans outstanding. While this classification may not be entirely satisfactory in the light of customary accounting practice, it does simplify the financial presentation of the activities of the commodity loan programs, and, as a matter of convenience and simplicity, it has been retained in the accompanying balance sheet.

Total cotton loans shown in the foregoing tabulation include \$181,413,754 relating to certificates of interest issued to lending agencies covering loans made by them to producers, the notes for which were de-

posited in note pools conducted by the Corporation.

In connection with cotton loans held by CCC, the Corporation had made no effort to prove the accuracy of the total amount of loans by adding the individual loan account balances, and we were unable to reconcile the total amounts of loans reported by Federal Reserve banks, as custodians, with the records of the Corporation. In addition, a duplication of \$2,329,483 between loans held by the Corporation and those held by private lending agencies was observed in connection with cotton loans. As a result of the above circumstances, the amount of cotton loans indicated in the above summary as outstanding at June 30, 1945, is presented from Corporation records without satisfactory verification.

The recorded balance of loans outstanding on wheat is known to be overstated by approximately \$4,000,000 with a corresponding overstatement of accounts payable. This overstatement was caused by the inclusion in inventory of over 3,000,000 bushels of wheat surrendered by borrowers. Because of the time lag between the receipt of the wheat and documentation from points of origin adequate to serve as a basis for crediting loans receivable, the wheat was taken into inventory at an estimated value upon receipt, and the loans were canceled in a subsequent period. The same situation existed to a lesser degree relative to loans on other grains. As a result of our discussion of this subject with Corporation officials, we do not anticipate a similar situation at the close of subsequent fiscal years.

At June 30, 1945, the records of the Corporation reflected as a reserve for losses an amount of \$1,095,961 which represented the accumulation of the Corporation's share of fees paid to AAA committees by farmers for assistance in filing applications for loans. The Corporation has represented this amount as being in the nature of self-insurance to offset losses from destruction of loan collateral. Losses of this type, though existing, were never charged against this reserve, and during the fiscal year 1947, the balance therein was transferred to income. In the balance sheet included in this report (exhibit 1), the amount of this reserve has been included in suspense items.

To June 30, 1945, the Corporation had not followed a policy of providing reserves for possible losses on realization of loans. The Corporation was prohibited from borrowing in excess of its assets or the assets to be acquired with the proceeds of borrowings. It appears that this prohibition must necessarily have contemplated the establishment in each fiscal period of reserves in an amount equal to the difference between the sum of loan advances and the estimated realizable value of the commodity pledged to secure the loan. Aside from this consideration, it is a generally recognized principle of sound financial accounting that losses should be reflected in financial statements at the point in time when they are sustained or become apparent. Subsequent to June 30, 1945, the Corporation adopted the policy of providing, in each accounting period, valuation reserves to reflect the estimated loss, if any, to be sustained during liquidation of the loans, based upon estimated realizable values.

Inventory of commodities

The inventory of commodities owned by the Corporation at June 30, 1945, is summarized from exhibit 3, as follows:

Cotton:

Domestic	\$437,816,342
Foreign	9,709,957
Total	447,526,299

General commodities purchase program:

Dairy and poultry	\$108,079,796
Meat and meat products	49,376,765
Vegetables and vegetable products	38,937,926
Special commodities	22,150,444
Fruit and fruit products	13,369,484
Grain and grain products	13,274,003
Fats and oils	6,516,665
Seeds, field and vegetable	4,399,211
Cotton waste and naval stores	249,309
Estimated handling, storage, and transportation charges	14,268,937
Other charges, net	441,064

Total

Wool	159,732,567
Wheat	153,669,751
Oils	40,946,011
Tobacco	35,087,598
Hemp fiber and related items	20,250,953
Corn	19,684,925
Soybeans	19,295,040
Cotton linters	7,840,696
12 other commodities, each less than \$5,000,000	17,635,369
Inventories of doubtful value or existence	504,070

Total

Differences between program transfer accounts, not entirely applicable to inventories	-2,723,611
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Total

Less reserves:

For decline in value of inventories	32,164,000
Other reserves	2,018,070

Total

Total commodities owned, as shown in exhibit 3

Advance payments on purchases:

Sugar	58,538,930
Wool	5,261,704

Total

Total, as shown in exhibit 1

To June 30, 1945, the Corporation did not follow the practice of taking periodic physical inventories of commodities under its own control nor did it request periodic confirmations from warehouses. On March 12, 1945, the president of the Corporation, pursuant to a resolution approved by the board of directors on March 10, 1945, requested the General Accounting Office to take a physical inventory of all commodities and to make recommendations relative to inventory control procedures and valuation bases. This request resulted from realization on the part of the Corporation that (1) its financial record of inventory was inaccurate, (2) its inventory control and accountability procedures were inadequate, and (3) large quantities of commodities were improperly stored and had deteriorated in quality, some to the point of being unfit for human consumption.

During March, April, and May 1945, representatives of the General Accounting Office, in collaboration with the Corporation and other agencies of the Department of Agriculture, examined into these points and

endeavored to verify the inventory through correspondence with custodians, examination of documents, and inspection and test counts as deemed necessary.

The use of quantities thus determined to adjust corporate records was complicated by the difficulty in effecting reconciliations between the quantities determined on the dates of count and the quantities reflected in the Corporation's financial statements at March 31, 1945 (in the case of the General Commodities Purchase Program), and April 30, 1945 (in the case of commodities acquired under other programs). Considerable effort was devoted to this process, and many of the differences disclosed in the inventory, which were substantial in the aggregate, were adjusted prior to the closing of the books as of June 30, 1945. However, tests made as of the latter date revealed that it was still impossible to effect complete or satisfactory reconciliations between the quantities recorded by the Corporation and those reported to be held at that date by warehousemen, handlers, and others. Some of the unreconciled differences were substantial but were probably caused for the most part by delays in documentation and in recording transactions.

Included in the reports rendered to the Corporation concerning the physical inventory work performed by the General Accounting Office were many suggestions and recommendations directed at improving inventory control and accountability procedures and methods of establishing inventory values. As indicated elsewhere in this report, the Corporation has made substantial improvements since June 30, 1945, in inventory control procedures and methods of valuation.

The recorded value of inventories was computed by the Corporation, in general, on the basis of cumulative average unit costs. The use of this basis of pricing makes no allowance for differences in grade or quality, storage periods, transportation, or marketability. As sales are made of relatively better grades of a commodity, the remaining lower grades become progressively overpriced. We do not believe this basis to be consistent with sound accounting principles for the purpose of determining inventory costs. During the fiscal year 1946 the Corporation changed its method of pricing inventory and sales of some commodities, principally grains, to the first-in, first-out basis. Cotton, however, was still priced by the cumulative average unit cost method to June 30, 1947. In connection with certain other commodities, notably processed foods, the individual lot cost method has been used.

An effort was made by the Corporation at June 30, 1945, to reduce the recorded cost of wool, hemp, and miscellaneous seeds to market value by establishing reserves for losses. Experience subsequent to June 30, 1945, has indicated that the price reductions applied to the wool inventory were insufficient. Estimates of losses to be sustained as a result of reduced selling prices did not include losses to result from sale at reduced prices of approximately 100,000,000 pounds of wool delivered to the Corporation but not recorded in inventory until a subsequent period.

Advances on purchases of sugar were made under contracts with the Cuban Sugar Stabilization Institute. These contracts provided for advances to be made by the Corporation in an amount of 90 percent of the value of the crop remaining unshipped on June 1 of each year covered by the contract.

Equipment, leasehold improvements, etc.

The recorded gross cost of equipment, leasehold improvements, and other fixed assets owned by the Corporation at June 30, 1945, was \$20,997,053. Depreciation accumu-

lated to that date in the amount of \$14,968,850 reduced this investment to a net amount of \$6,028,203.

The most significant of these assets were grain bins and related equipment which, at June 30, 1945, had a net book value of \$3,914,871. Regional office records were not maintained on a basis such as to enable a satisfactory independent verification of the quantity or cost of grain bins owned by the Corporation. In addition, depreciation reserves and operating losses were overstated in a substantial amount. The overstatement resulted from the failure of the Corporation to relieve the reserve accounts for accrued depreciation applicable to bins sold. As a result, wooden bins were recorded as fully depreciated at June 30, 1945 (only 3 years after their acquisition), but the Corporation realized a net gain of almost \$5,700,000 on the disposition of bins and equipment in the year ended June 30, 1946, resulting principally from the sales of wooden bins.

The natural-cooler storage facility is a natural cave located on the site of a limestone quarry near Atchison, Kans. Its recorded cost to June 30, 1945, was \$1,772,009. The facility is said to provide 7,000,000 cubic feet of storage space, sufficient to store 2,800 carloads of commodities. The site is not owned but is occupied under the terms of a 5-year lease negotiated on May 3, 1945, but running from July 10, 1944. The facility was being operated at June 30, 1945, by a private contractor under a cost-plus-a-management-fee contract. This contract was subsequently canceled, and the operation was assumed by the Shipping and Storage Branch of Production and Marketing Administration. No commodities were stored in the facility until December 1945, and no depreciation or amortization thereon was recorded at June 30, 1945.

Other equipment, consisting almost entirely of furniture and fixtures owned by the Corporation at June 30, 1945, was recorded in a net amount of \$341,323, as shown in the balance sheet, exhibit 1. The Corporation maintained inadequate control over furniture and fixtures. No detailed record could be furnished to support the recorded value of furniture and fixtures owned.

Accounts payable, advances, and accrued liabilities

Accounts payable, advances, and accrued liabilities recorded as owed by the Corporation at June 30, 1945, amounted to \$494,598,691. The items composing this balance are summarized as follows:

Accounts payable:

Due on purchases:

General commodities purchase program.....	\$203,186,263
Other programs.....	49,021,962
Total.....	252,208,225

Estimated subsidy program obligations:

Dairy production payments.....	125,000,000
Beef production payments.....	5,000,000
Total.....	130,000,000
Other payables.....	8,519,596

Total accounts payable..... 390,727,821

Advances:

From Foreign Economic Administration to apply on purchases for lend-lease (\$78,308,487) and for construction of the natural-cooler storage facility.....	79,756,155
From the Government of Great Britain to apply on purchases of tobacco.....	5,283,611
Total advances.....	85,039,766

Accrued liabilities:

Interest.....	\$3,667,143
Carrying charges on commodities owned or pooled.....	14,690,168
Carrying charges on loans.....	473,793
Total accrued liabilities.....	18,831,104
Total.....	494,598,691

This amount is reflected in the balance sheet, exhibit 1, as follows:

Due to Government agencies.....	\$132,286,284
Due to others.....	362,312,407
Total, as above.....	494,598,691

The segregation of payables between those due to Government agencies and others was made by the use of data presented by the Corporation. The accounts maintained provided no adequate basis for such a segregation, and the segregation made by the Corporation could not be supported in full by analysis.

The amount of \$203,186,263 indicated as owed on purchases made in the General Commodities Purchase program could not be verified. No detail listing of individual creditors' balances could be obtained. We are aware of an overstatement of approximately \$18,500,000 resulting from the failure to record cash disbursements of that amount on regional office records. Numerous errors, omissions, and inadequacies in the application of accounting policies and procedures in the conduct of this program necessarily had an effect on the recorded balance of accounts payable.

The preceding comment is applicable equally to the amount recorded as advance deposits from the Foreign Economic Administration on sales made through the General Commodities Purchase program (\$78,308,487).

No adequate record was kept of outstanding dairy or beef production payment program drafts, and no determination could be made as to the accuracy of the amount of \$130,000,000 shown above as estimated program obligations at June 30, 1945.

Other items of this group are subject, though to a lesser degree, to the same general comment as that contained above relative to the General Commodities Purchase program.

Unrecorded liabilities

It is customary for independent public accountants, when reporting upon the results of a commercial audit, to determine that all liabilities are believed to be recorded in the books of the company being audited, if an unqualified opinion is to be rendered. We cannot assume that responsibility in this case. We are aware of a number of liabilities, some of which were of considerable amount, which were not recorded at June 30, 1945, and believe, as a result of our survey of accounting policies and procedures, that numerous substantial liabilities of which we are unaware probably existed. Further, we do not believe that Corporation officials can make any accurate representations concerning the extent of the unrecorded liabilities of the Corporation as of June 30, 1945.

GENERAL OVERHEAD EXPENSES AND INTEREST ON BORROWED FUNDS

Commodity Credit Corporation did not maintain its accounting records prior to June 30, 1945, in a way which would make it possible to ascertain the real costs of administering and financing the Corporation's various activities, because it had devised no method by which its general overhead expenses and interest on borrowed funds might be distributed equitably to individual programs or groups of programs.

Good accounting procedures normally provide for the allocation in the accounts of all possible items of income, cost, and expense to the activities in which they were incurred. Accounting procedures are unsatisfactory when they do not provide for the

break-down of operating results by organizational responsibilities and functional activities. The allocation of cost to individual activities is an aid in determining the selling prices of commodities. It also permits better management control of costs and assists in eliminating waste. If all costs and the net results of each activity cannot be shown, it is not possible to consider the costs in relation to the accomplishments or to demonstrate the effectiveness with which the responsibilities assigned to individuals in charge of activities have been carried out from year to year.

Schedule 22 of this report reflects the net remainder of all interest and general overhead expenses after assignment to specific programs of identifiable items of such expenses aggregating \$6,795,448. The principal components of the remainder, as indicated in schedule 22, unallocated to program activities, are:

Interest paid to—

Public, on collateral trust notes.....	\$31,895,120
U. S. Treasury, on borrowings.....	28,085,080
Reconstruction Finance Corporation, on borrowings (net of \$4,876,590 earned on cash deposited with RFC).....	10,983,683
Total.....	70,963,883

General overhead expenses:

Salaries.....	14,199,210
Expenses of Federal Reserve banks and others as custodians and fiscal agents.....	14,999,673

Total..... 29,198,883

All other expenses, net..... 7,996,310

Combined..... 108,159,076

The above amount represents approximately 90 percent of the Corporation's total recorded general overhead expense and interest on borrowed funds. In a number of cases, expenses which were identical in character with expenses otherwise classified as administrative have been reflected by the Corporation directly in the results of program operations. The aggregate of such expenses so reflected was relatively minor, being less than 5 percent of the total overhead and interest expenses incurred to June 30, 1945. For the most part, such expenses were incurred on a cost-reimbursable basis by agents utilized in conducting various programs. Congressional limitations on administrative expenses, which exclude expenses of this type, need not prevent the informative reflection of the aggregate costs of administering the Corporation's activities.

No provision was made by the Corporation in its accounts at June 30, 1945, for general overhead expense accrued but unliquidated. A liability in the approximate amount of \$500,000 existed at that date.

The costs of administration of the Corporation's activities have been obscured by the exclusion of costs borne by other agencies. During the fiscal year 1945 the Corporation conducted a large volume of purchase and sale operations on behalf of lend-lease. The cost of administering these activities was defrayed directly from lend-lease funds in the approximate amount of \$6,531,000. Omission of these expenses from financial statements indicates a lower cost of administration of the activities than was the case. Subsequent to June 30, 1945, the Corporation has adopted the practice of presenting such expenses, and the amount by which they are reduced by reimbursement from other agencies, by means of a supplementary schedule to the income statement. We are of the opinion that it would be more desirable to reflect the total of administrative expenses related to the Corporation's activities and the revenue resulting from reim-

bursement directly in the income statement.

The last issue of the Corporation's collateral trust notes held by the public was called for redemption in February 1945. The principal source of borrowed funds since that date has been the United States Treasury. The Corporation's obligations to the Treasury at June 30, 1945, bore interest at the rate of 1 percent per annum; no interest to that date was paid on the capital of \$100,000,000. The Corporation paid interest on funds borrowed from the Treasury for the purpose of making direct subsidy payments. Such interest was payable until the Congress authorized reimbursement to the Corporation for the impairment of capital resulting from the subsidy payments; inasmuch as direct subsidy payments represent immediate expenditure of the Government's funds, it would appear that interest on these amounts should not be paid to the Treasury by the Corporation for any period.

Each fiscal year since June 30, 1937, the Congress has limited or prescribed to some extent the expenses of administering the Corporation's affairs by placing a limitation on the amount of the Corporation's own funds which it was permitted to use for this purpose. The budget language through which this limitation was made was coordinated to some extent with the Corporation's expense accounting practices. The control accomplished in this manner has been impaired by a classification of expenditures producing a total of administrative expenses which reasonably could not be designated as the total of the actual costs of administration for any period. However, it appears that the cost of administration borne by the Corporation and reflected in its accounts as such did not exceed during the fiscal year 1945 the amount specified by the Congress.

COSTS OF OTHER GOVERNMENT AGENCIES AFFECTING, OR RELATIVE TO, THE SUPPORT OF AGRICULTURAL PRICES

As pointed out earlier in this report, Commodity Credit Corporation's costs with respect to its normal purposes of price support or in connection with the ever-normal granary could not be determined because of the effects of the war on the disposal of inventories and the effect of supply and other activities on the requirements for price supports. Furthermore, the Corporation's costs for normal activities, if determinable, could not be interpreted or regarded as the total costs of the Government's endeavors relative to the support of farm prices or in connection with the ever-normal granary. Substantial disbursements have been made by other agencies of the Government for the same general purposes or for purposes the carrying out of which was accompanied by a material effect on the activities of Commodity Credit Corporation. Among the more important approximate costs of this nature incurred or payments made during the life of the Corporation to June 30, 1945, and the pertinent legislation or agency are the following:

Soil Conservation and Domestic Allotment Act—1936-45 (49 Stat. 153)----	Amount
Agricultural Adjustment Acts—1934-45 (48 Stat. 31; 52 Stat. 31)-----	2,748,000,000
Section 32 of the act of August 24, 1935—exportation and domestic consumption of agricultural commodities—1936-45 (49 Stat. 774)-----	1,146,000,000
Sugar Act—1938-45 (50 Stat. 903) — excise taxes on manufactured sugar collected by the Treasury Department pursuant to the Sugar Act amounted to \$502,828,842 during this period-----	351,700,000

Removal of surplus cattle and dairy products — 1934-37 (48 Stat. 805)-----	\$116,300,000
Federal Crop Insurance Corporation—1939-45 (52 Stat. 72)-----	70,800,000
Farm Labor Program—1943-45 (57 Stat. 70; 58 Stat. 11)-----	56,500,000
Total-----	8,115,600,000

In addition to the above, Reconstruction Finance Corporation paid subsidies amounting to \$1,271,500,000 to processors or producers of livestock, flour, and butter in connection with maximum price regulations.

EXCEPTIONS

We have found no programs or activities which, in our opinion, were carried on clearly without authority of law. However, certain of the Corporation's activities and transactions were undertaken on the basis of legal interpretations with respect to which there can be differences of opinion. Some of the more significant of such undertakings are listed below:

1. Indications of uncertainty concerning interpretations of the Corporation's authority under its charter (and consequently the authority for programs undertaken without specific statutory authority).
2. The undertaking of the domestic wool program without specific authority of law.
3. The sale of commodities acquired under the general commodities purchase program to Army and Navy upon conditions raising a possible question as to the application of section 4 of the act of July 16, 1943, which required the Corporation to recover full costs on sales to such agencies.

Also, in connection with the importation of wheat from Canada for use in the feed wheat program, we believe that formal authorization of the War Food Administrator was required under the law, though not obtained, for quantities imported in excess of 50,000,000 bushels originally authorized by him. However, because the Corporation had been consolidated into the War Food Administration, and because the War Food Administrator, reporting directly to the President, was chairman of the board of directors and exercised the rights of the United States as stockholders of the Corporation, it does not appear realistic to report such transactions as being without authority of law merely because formal authorization was not obtained from the War Food Administrator.

INTERNAL AUDITING

Prior to June 30, 1945, the need for internal auditing appears to have been virtually unrecognized by officials of the Corporation. Available auditors were, in general, assigned and made administratively responsible to the treasurer's office or to various operational branches. They apparently were used to assist branch personnel in the performance of their duties, to clear up documentary backlogs, to make special investigations relative to operating problems, and otherwise to assist in the administration of corporate activities.

In our opinion, internal auditors should examine completed records and, through appropriate tests of the records and other evidence, verify the correctness of the recording of the transactions and balances, observe the adherence to prescribed procedures, and evaluate the procedures from the standpoint of economy, simplicity, internal check, and conformity with accepted principles and the plans approved by the board of directors; the reports should reveal errors noted and contain recommendations relative to any changes considered desirable. The internal auditor should not participate in the preparation or recordation of accounting data.

On December 17, 1945, the Office of Audit of the Production and Marketing Adminis-

tration was established. The direction of audit and examining activities of the administration, its agents, and others financed with PMA funds, and of the preparation of cost analyses for use in the termination or renegotiation of contracts was assigned to the Office of Audit. Reports and recommendations were to be made to the Administrator of PMA. This assignment naturally represents far more than the responsibility for conducting internal audits relative to Commodity Credit Corporation. For example, it includes the responsibility for auditing hundreds of schools participating in the school-lunch program and for auditing the accounts of numerous agent cashiers and labor camps in connection with the labor programs.

During the course of our examination, we have made the greatest possible use of the work of the Office of Audit of PMA. In so doing, we have observed certain activities, procedures, and omissions which we believe should be changed or corrected in order that full advantage may be derived by the Corporation from that organization. These deficiencies have been called to the attention of the chief auditor, who has cooperated fully in taking steps to correct those which are within his scope of authority. Our major observations follow:

1. A disproportionate amount of time was devoted to the mechanical verification of routine transactions. Audits were limited, in general, to the examination of records of agents involved in the administration of price-support, supply, or subsidy programs of prior as well as current years. This was not primarily due to a lack of good judgment on the part of those responsible for administration of the office but was the result of assignment to the Office of Audit of functions which we believe are administrative in nature. Had the fiscal organization originally required sufficient supporting data and adequately verified claims for subsidy payments, the need for such audits would have been materially reduced. In no case should the disbursing procedures depend almost entirely upon internal audits for the determination of the validity of the amounts being paid, even when those audits are being made currently.

2. As a result of the extensive use, for the purposes mentioned above, of the limited number of auditors available, too little emphasis was placed on the study of operating and accounting procedures and the system of internal control to determine that they were workable and satisfactory. The determination that program activities were being carried out in accordance with the intent of the board of directors likewise received scant attention.

3. Internal audit review of contracts, agreements, and instructions was limited almost entirely to those connected with the supply programs. Reports, programs, and working papers pertaining to the individual audits which we reviewed indicated insufficient concern over vague provisions, omissions, and other contractual weaknesses which we have noted.

4. In connection with our review of audit reports and discussion thereof with the various branches, we have noted an apparent failure to make maximum use of such reports. Improvement has been made in this respect since the establishment, in March 1946 of a procedure requiring reports of action taken on exceptions set forth in audit reports. However, report narratives sometimes contained comments and suggestions which often went unnoticed by the branches involved. More careful study of reports and closer cooperation with respect to audit matters between the fiscal and operating branches and between these branches and the Office of Audit would have increased the effectiveness of the internal auditing.

5. Despite the fact that inventories consistently constituted a substantial portion

of the assets of the Corporation, tests of inventory quantities were extremely limited.

6. Certain contracts with, or instructions to, processors and agents provided that records would be available to the Corporation for audit for a limited period—usually 2 years. We noted that audits were being made of the records of many small processors involving small amounts or more recent periods, while the period of access to the records of much larger and more significant processors was close to its expiration. The chief auditor is of the opinion that the practice of auditing a greater proportion of the smaller concerns would result in greater recoveries, because internal controls and more adequate accounting supervision exist among the larger organizations.

We appreciate that consideration must be given to the relatively recent creation of the Office of Audit and the magnitude of its task. The administrators of the office are acquiring a more complete conception of its purposes, and, while less than full effectiveness of internal auditing has yet been realized, indications are that it will materialize.

As a result of the lack of internal auditing, we were forced to expand considerably the scope of our examination for the period ended June 30, 1945, although there were practical limits beyond which we could not undertake to assume additional responsibility.

In connection with the general subject of internal control, consideration should be given to the question of whether the surety bonds furnished by employees are adequate in amount. In the case of certifying officers, who are bonded for \$5,000 each and whose duties include the approval of vouchers for payment, this amount seems inadequate in relation to the aggregate amounts which they certify for payment and in relation to the amounts for which employees of industrial and commercial enterprises having similar responsibilities are bonded. United States Treasury Circular No. 680, prescribing standards for fixing the amounts of surety bonds, contains the following:

"The penal sum of each certifying officer's bond shall be fixed by the head of the department, establishment, or agency concerned in accordance with the degree of the officer's responsibility, taking into consideration the character and estimated amount of vouchers to be certified for payment during the ensuing 12-months period. Such penal sum should be sufficient to protect the interests of the United States under the circumstances."

Inasmuch as employees are required to pay the bond premiums, the management, it is said, has not felt that it could insist upon bonds in more substantial amounts. It is suggested that consideration be given to the question of whether in such situation, authority should be sought to cover all employees, or all of certain groups of employees, under a blanket bond of an amount sufficient to protect the interests of the United States.

INTERNAL CONTROL OVER GRAIN PURCHASES

Grains and related products have been acquired by the Corporation:

1. In settlement of nonrecourse loans.
2. As a result of open announcement that all grain offered would be purchased at specified prices.
3. By negotiated purchase. The Washington office notified the regional office representative to get in touch with one or more grain firms and negotiate the transaction on a basis favorable to the Government.
4. As a result of sealed bids filed in response to public notice or as a result of bid invitations to specific grain dealers.

Criticism has been leveled at the Corporation relative to methods (3) and (4), it being contended that favoritism was shown certain

dealers and that others rarely were given an opportunity to participate. Even when sealed bids were publicly requested or obtained as a result of bid invitations to specific dealers, it was claimed that the specifications eliminated all but favored operators. In most cases the invitations would indicate that specific quantities of certain quality were desired at stated geographic locations. This was an advantage to any grain owner who had such described commodity near the stipulated location but did not necessarily indicate favoritism; we do not have any reason to conclude that locations were selected with that in mind. However, the selection of the successful bidder generally could be predetermined by the knowledge of location of quantities of grain.

As a result of this criticism of the purchasing practices of the Corporation, the board of directors established a policy providing for the utilization of competitive bid procedures. A few days later, on May 2, 1945, this procedure was amended by providing for exceptions to the competitive-bid policy when its use was clearly impractical, would not be in the best interests of the Government, or when the approved program provided for a different procedure.

We were informed that all sizable wheat purchases from July 1 to September 30, 1945, for example, were made without competitive bidding on the grounds that the use of the bid procedure clearly was impractical. As the consideration of this matter by the board of directors resulted from criticism of this practice, it appears that the general policy formulated by the board was negated. However, the Corporation's president assured us on June 3, 1946, that it was the board's intention to allow the administrative officers to retain the responsibility for applying the policy and the exceptions to the policy in their purchase activities. Further, he stated that the board of directors was kept informed of the activities of the grain branch and that no move was made or proposed to alter the procedure. Thus it could be inferred that the purchase of grain on a negotiated basis had the sanction of the board and was not in conflict with its policy.

In the spring of 1947, an investigation was conducted by the Division of Investigations of the Department of Agriculture concerning alleged favoritism shown by the Corporation to a grain dealer in Kansas City. In the course of this investigation, rather widespread criticisms of the Corporation's grain-trading practice and release of related information was encountered, particularly among members of the grain trade. As a result, the scope of the investigation was expanded considerably. In the reports on the investigation, it was indicated that considerable basis appeared to exist for the criticisms and allegations made. In a report dated June 10, 1947, an investigator stated that, while the facts and circumstances developed were not conclusive, it appeared that further inquiry should be made and that effort should be directed at establishing control adequate to insure that advance information concerning the Corporation's buying plans would not be made available to unauthorized persons. Based upon our review of the related reports, we agree that this entire field warrants further administrative inquiry.

In connection with purchases on a negotiated basis, the Corporation has stated that the acquisitions were more advantageous as to price than would have been the case under a competitive-bid procedure. Generally, in public operations, competitive bidding has been relied upon to assure the best price obtainable. Of course, when the Corporation engages in a program that provides for purchase at fixed prices from all persons who may offer the commodity, competitive bidding would serve no useful purpose insofar as prevention of favoritism is concerned. Public criticism might be allayed, without

hampering operations, by the issuance, after a suitable interval, of announcements relative to consummated negotiated purchases, disclosing the purchase areas and dates, prices paid, and quantities purchased.

SCOPE OF EXAMINATION AND OPINION

We were unable to make our examination of the Commodity Credit Corporation and its affiliated corporation, War Hemp Industries, Inc., for the period ended June 30, 1945, in accordance with accepted procedures of auditing employed by public accounting firms in the examinations of commercial enterprises, as is contemplated by section 5 of the act of February 24, 1945 (59 Stat. 6).¹ Ordinarily in the audit of commercial enterprises, the audit procedures can be augmented and the scope of audit expanded to the extent that deficiencies encountered can be overcome sufficiently to permit of a satisfactory audit. In the case of CCC, however, we found the deviation from sound accounting practices so pronounced, the errors and arrearages in record keeping so substantial, and the internal auditing activities and internal controls so deficient that such expansions were not a practical possibility and would have been, even if possible, unjustifiable economically. Moreover, the expansion necessary in this case would, because of its nature, have constituted unavoidable participation in the administrative responsibilities of the CCC management.

An early survey of the Corporation's various accounting offices in the field disclosed many of the difficulties to be encountered in the examination. With these facts in mind, a program was designed so that we could concentrate our efforts toward disclosing deficiencies in currently active programs, with more limited concern for completed operations.

The six regional offices, which conducted and accounted for operations in wheat, corn, cotton, soybeans, barley, oats, and rye, were visited. Audit work was carried on in New York City on foreign purchases and on the general commodities purchase program. Visits were made to the Federal Reserve Bank of Richmond, Va., in connection with the tobacco programs and to the offices of Dairy Products Marketing Association, Inc., in Chicago, Ill., relative to the butter and cheese programs. Records of area offices in Chicago, New York, and San Francisco were examined. Records of the hemp program were examined at one of the plants and in the Chicago office of War Hemp Industries, Inc. A comprehensive coverage of wool activities was provided through visits to banks, handlers, and warehouses in a number of cities in various States.

We have omitted a description of the steps by which the verification of assets, liabilities, and operating results were attempted. Such description would be highly technical in nature, extremely lengthy, and would add little of significance to the report. Some of the results of our attempted verification are set forth briefly in the section of the report devoted to comments on financial position, and, as mentioned in the footnote on page 48, many other instances of faulty accounting were disclosed during the course of our examination.

The accounting deficiencies encountered were so substantial and the inaccuracies cited in this report so material that we cannot express an opinion that the financial statements prepared by the Corporation present fairly the financial position of Com-

¹ A commercial audit generally contemplates using as a starting point reliable financial statements prepared by the organization, or at least statements which it will contend are reliable. The treasurer of the Corporation made substantial qualifications as to the correctness of the Corporation's own financial statements as well as the books and records from which they were prepared.

modity Credit Corporation and its affiliate, War Hemp Industries, Inc., at June 30, 1945, or the results of their operations for the period ended on that date. Therefore, for the reasons stated on page 35, we prepared the financial statements accompanying this report from the books and records of the Corporation. We are aware of numerous adjustments which could have been made; however, except for the treatment as income of \$139,171,171 reserved by the Corporation for possible losses on the general commodities purchase program, no adjustments are reflected in the accompanying statements. Except for the adjustment noted, the excess of subsidies and losses over net gains as shown in exhibit 2 is equal to the excess of expenses and other charges over income as reflected by the Corporation's operating statement.

Mr. BYRD. Mr. President, I desire to speak briefly on the pending conference report. I regard it as a very vitally important matter. We are discussing the management and control of the second largest banking institution in the world, because the Commodity Credit Corporation is in actual practice a banking corporation. The first largest banking institution is the Reconstruction Finance Corporation. The Commodity Credit Corporation is the second. Its total assets and capacity to borrow are greater than those of several of the largest banking institutions in America.

What is being proposed to be done here today is to take away the safeguards and controls which were placed in the charter of this Corporation a year ago and to take them away in such a manner as to remove the checks and balances which the Senate should require in the administration of this fund. I think the Members of the Senate should clearly understand what they are doing before they vote for the conference report.

Mr. President, the so-called Byrd-Butler bill has been referred to in the debate. That bill, as Members of the Senate will recall, was passed after some years of effort, for the purpose of reorganizing the various Government corporations. Among its provisions it required that each of these corporations should obtain a new charter by June 30, 1948, otherwise they would be forced to cease doing business. In accordance with that law, which contained other provisions making these corporations more responsible to the Congress, a new charter was adopted for the Commodity Credit Corporation, last June, as I recall. That charter provided for a board of directors to be appointed by the President. Who can object to the Board of Directors being appointed by the President of the United States? It was provided that the members of the board should be confirmed by the Senate of the United States.

Let me call the attention of the Senate to the fact that the Commodity Credit Corporation was not the only corporation with respect to which such a requirement was made in the new charters. It was made with respect to every single corporation charged with the handling of large sums of money and the responsibility therefor. The same provision was made with respect to the Export-Import Bank. The same provision was made with respect to the Federal Deposit Insurance Corporation. The same pro-

vision was made with respect to the Federal Savings and Loan Insurance Corporation. The same provision was made with respect to the Reconstruction Finance Corporation. The same provision was made with respect to the Tennessee Valley Corporation.

These six major corporations, which handle large sums of money under the authority of Congress to borrow, with the backing and the guarantee of the United States Government, were selected to have their directors appointed by the President and confirmed by the Senate of the United States.

It is now proposed, after 1 year's trial to make a change, and yet not one single real reason has been given on the floor of the Senate why the change should be made.

I asked the distinguished Senator from New Mexico several weeks ago why it was desired that the change be made? I asked what there was in the operation of the present law that made it desirable to change it, and give to the Secretary of Agriculture a private bank—for that is what it would be under the proposed change—with resources of \$5,000,000,000, greater, as I have said, than the combined resources of some of the largest banks in America today, and second only to the Reconstruction Finance Corporation in its assets and resources.

Mr. President, this is a serious matter. The Congress deliberately enacted the provision I refer to last year. It was done after full and free discussion. Congress did it to protect the resources of the United States. Congress did it to see that the \$5,000,000,000 was handled in an orderly and proper manner by requiring that the President appoint the board and that the Senate confirm its members.

Now, what is proposed to be done? Let me read the section of the existing law so Senators can compare it with what is now proposed to be done. The existing law provides:

The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the "Board"). The Board shall consist of five members. The Secretary of Agriculture, or his nominee, shall be a member of the Board and the remaining members shall be appointed by the President by and with the advice and consent of the Senate. The Chairman of the Board shall be selected by the Board. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present. The appointed directors shall serve for a period of 5 years, except that the terms of the first Board shall be shortened to provide for replacement or reappointment of its members in number as nearly equal as practicable in each year. The power of removal shall be vested in the President of the United States.

What does the new proposal do? It says that in addition to the Secretary, 6 members shall be appointed by, and hold office at the pleasure of, the Secretary. In other words, he can appoint whomever he pleases; and if at any time any single member of the board does not do as the Secretary desires him to do, the Secretary can demand his resignation and appoint someone else. There

are no terms of office, whereas under the present law there is a term of 5 years.

In addition to their duties as members of the Board, appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary. * * * A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

The power of the President to remove any of the directors is taken away. The power of confirmation by the Senate is taken away, and the Secretary of Agriculture is given the right to appoint whomever he pleases, at his pleasure, without term. He can change the whole Board overnight. The bill does not even provide that any reports be made to the Congress. Let us again remember that we are dealing with a corporation which is in effect a banking corporation, with \$5,000,000,000 of assets.

We have heard a great deal of talk about the Advisory Board. This is what the conference report says with respect to the Advisory Board. It is a new Board:

In addition to the Board of Directors there shall be an Advisory Board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The Advisory Board shall meet at the call of the Secretary, who shall require it to meet not less often than once each 90 days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto.

All they can do is "advise the Secretary with respect thereto." They have not one particle of executive power. They can take no action. They can only recommend to the Secretary what they think he should do, and the Secretary can disregard the advice, or change it, or do anything he pleases.

The remarkable thing is that the Advisory Board is confirmed by the Senate; yet the Board which actually has the power to make great loans, to lend money here and there, and buy things here and there, to the extent of \$5,000,000,000, is not confirmed by the Senate.

Mr. KEM. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KEM. I should like to ask the distinguished Senator from Virginia if it is not the general understanding that policy-making officers of the Government are subject to confirmation by the Senate, but inferior officers are not so confirmed.

Mr. BYRD. I think the Senator is correct.

Mr. KEM. I should like to ask the Senator which of these bodies, in his judgment, is the policy-making body of the Commodity Credit Corporation.

Mr. BYRD. It is very obvious that the Board of Directors is the policy-making

body. It has the power to act. The Advisory Board simply has the power to recommend to the Secretary.

Mr. KEM. Has the Senator, in his discussion, or reading or colloquy in regard to this matter, encountered any reason why the inferior body should have been selected for confirmation by the Senate, and the policy-making body should be permitted to bypass the Senate?

Mr. BYRD. I have heard of no reason that appeared to the Senator from Virginia to be logical. Reasons may have been given. Furthermore, I have heard no reason stated by any proponent of the legislation why this change should be made. Wherein has the present Board failed? It has been in operation for a year. It is appointed by the President and confirmed by the Senate. In what way has it failed to discharge its duties?

It has been said on the floor of the Senate that the two public members appointed by the President did not attend the meeting. Mr. President, they receive a salary of \$10,000 as members of the Board of Directors; and if they do not attend the meeting someone should see that they are discharged. They should be compelled to do their duty.

As a matter of fact, all the talk on the floor of the Senate to the effect that a quorum could not be obtained is perfectly absurd. The Secretary of Agriculture is a member of the Board. He can designate someone in his place if he is not present. Two members of the Board come from the Department of Agriculture. That gives a quorum of the Board. So there is no force whatever in the argument that they could not obtain a quorum. If they cannot obtain a quorum by paying a salary of \$10,000 a year to attend the meetings, someone is grossly derelict in not demanding the resignation of such persons.

That is the only argument I have heard as to why the organization of the Board should be changed. I cannot understand it. This is one of the Corporations which was selected by the Congress to have a board appointed by the President and confirmed by the Senate. The directors of all the other Corporations which deal with funds—the Reconstruction Finance Corporation, the Tennessee Valley Authority, and others—are appointed by the President and confirmed by the Senate. I should like to have someone tell me why this Corporation is singled out for special treatment. Why, with respect to this single Corporation, should we give the Secretary the power to appoint whomever he pleases, dismiss them at his pleasure, and absolutely control the operations of this vast banking institution?

Mr. KEM. Mr. President, will the Senator yield?

Mr. BYRD. I yield.

Mr. KEM. In looking at some of the authorities on this subject I encountered this text, as to what officers of the Government should be confirmed. The text writer says:

The test is responsibility for final action in connection with the preparation and promulgation of rules, regulations, or orders.

I ask the Senator from Virginia which of these bodies, under the organization provided in the bill, has the "responsibility for final action in connection with the preparation and promulgation of rules, regulations, or orders."

Mr. BYRD. The Board of Directors. This bill gives still greater power to the Secretary in other sections. For example, section 2 of the present law provides that this agency shall be operated "subject to the general direction and control of its Board of Directors." That has been changed to "supervision and direction of the Secretary of Agriculture."

Mr. President, it seems to me that this is an unreasonable and unnecessary concentration of power in the hands of the Secretary of Agriculture. I think the Senate would be derelict in its duty of safeguarding the interests of the people of America if it permitted the bill as drafted in the conference report to become a law, and thereby give these appointments to the Secretary of Agriculture, without confirmation, and without term of office, instead of giving them to the President for a 5-year term, subject to the confirmation of the Senate. The bill even strikes out the provision that the directors may be removed by the President of the United States. Is it possible that we do not trust the President of the United States to make these appointments? I cannot conceive the reason for the desire to change the present provisions. No reason has been given to the Senate. I challenge any proponent of the legislation to point to a single logical reason for making this change.

As Senators know, the Senate refused to adopt this pending proposal when it was advanced in the Senate a few weeks ago. We refused to make this change. I do not know why, but our conferees yielded to the House. In my opinion they should not have done so, because this is a vital question. They should not have done so unless they came back to the Senate for instructions. This provision strikes at the very heart of the legislation. The Senate adopted what it regarded as a proper provision, and the conferees agreed to change it in accordance with the desires of the House, so as to give the Secretary of Agriculture power to make the appointments without restriction, without confirmation, and entirely as he pleases.

Mr. President, I shall not speak longer. I merely wish to register my unequivocal and unqualified protest against this action. We are gradually chipping away the protections which we have had in this democracy of ours. As soon as we establish something to protect the people the bureaucrats start to tear it down, because they want to control the affairs of the Government. This is one example.

It has been said that the Commodity Credit Corporation is a bureau of the Department of Agriculture. I deny that emphatically. The Commodity Credit Corporation, which is chartered as a corporation, is in no sense a crea-

ture absolutely under the control of the Department of Agriculture.

It may be that the Secretary of Agriculture has certain duties to perform as directed by the Congress, but this Corporation is not a bureau of the Department of Agriculture, because a Government corporation cannot be a bureau of one of the executive branches of our Government. This Corporation has a charter which is approved by the Congress. To my mind, it is ridiculous to say that the Commodity Credit Corporation is a bureau, and that, as a bureau, the Secretary of Agriculture should have absolute control of it. If such a line of argument is logical, why was it that a year ago the Congress adopted as a safeguard the provision that the appointments of members of the Board of Directors of the Commodity Credit Corporation must be made by the President and confirmed by the Senate?

Mr. President, I protest the appointment of members of the Board of Directors of the Commodity Credit Corporation at the pleasure of the Secretary of Agriculture. I have never heard of a business corporation or any other kind of corporation which had appointment to its board of directors made at the pleasure of any certain person. The directors of a business organization or corporation are supposed to represent the stockholders. The stockholders of the Commodity Credit Corporation are the people of the United States of America. They are the ones who put up the money with which the Corporation operates; that money comes from the taxation of our citizens. If losses occur as a result of the operations of the Corporation, those who make up the losses are, not the Directors of the Corporation, but the taxpayers, who must pay such losses by means of the payment of taxes imposed upon them.

So why should the directors of the Corporation be appointed at the pleasure of the Secretary of Agriculture, and without a definite term of office? Under such an arrangement, the Secretary of Agriculture could, at 5 o'clock in the afternoon, ask the directors to agree to make a great loan for the purchase of a large amount of commodities; and if the members of the Board of Directors refused to do so, the Secretary of Agriculture could make new appointments to the Board, effective the next day, and he would not have to make a report of that matter to the Congress. He could thus place on the Board of Directors men of his own choosing, who would do exactly what he wanted done.

Under the law now proposed, there would be nothing to prevent such an occurrence or to permit the Congress to remove such directors if they were appointed, whereas the old law provides that the power of removal of the directors shall be vested in the President of the United States. However, in the law now proposed, that provision is stricken out. Evidently the framers of the present proposal were not even willing to trust the President of the United States

to make the appointments to the Board of Directors or to remove the appointees.

I, for one, sincerely hope the Senate will vote against the conference report, so that the measure will go back to conference and have its objectionable features removed.

Mr. President, I have no objection to the Commodity Credit Corporation. I think it is a good organization of our Government, and under present conditions I think it is necessary. However, it is our duty to safeguard the operations of this gigantic Corporation, so that the people of the United States, who pay the taxes, shall be protected.

The PRESIDING OFFICER (Mr. MAGNUSON in the chair). The question is on agreeing to the conference report.

Mr. THOMAS of Oklahoma. Mr. President, so far as I know we are ready to vote upon the question, and I hope to have a yeas-and-nays vote. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Hill	Morse
Anderson	Holland	Mundt
Brewster	Humphrey	Myers
Bricker	Hunt	Neely
Bridges	Ives	O'Connor
Butler	Johnson, Colo.	O'Mahoney
Byrd	Johnson, Tex.	Pepper
Cain	Johnston, S. C.	Robertson
Chapman	Kefauver	Russell
Chavez	Kem	Saltonstall
Connally	Kerr	Schoeppel
Cordon	Kilgore	Smith, Maine
Donnell	Knowland	Sparkman
Douglas	Langer	Stennis
Downey	Lodge	Taft
Eastland	Long	Taylor
Eaton	Lucas	Thomas, Okla.
Ellender	McCarran	Thomas, Utah
Ferguson	McCarthy	Tydings
Flanders	McClellan	Vandenberg
Frear	McFarland	Watkins
Gillette	McKellar	Wherry
Graham	McMahon	Wiley
Gurney	Magnuson	Williams
Hayden	Malone	Withers
Hendrickson	Martin	Young
Hickenlooper	Millikin	

The PRESIDING OFFICER. A quorum is present. The question is on agreeing to the conference report.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Is my understanding correct that it is impossible to present a motion to accomplish the purpose of the distinguished Senator from Delaware, which is to request a conference, with instructions that the Directors be confirmed by the Senate. In order that the Senator from Delaware may accomplish his purpose, the conference report must first be voted down, and then the Senator from Delaware can present his motion. Am I correct in that understanding?

The PRESIDING OFFICER. The Senator from Nebraska is correct. The conference report must be voted down before the Chair could entertain such a motion as is proposed by the Senator from Delaware.

Mr. ANDERSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ANDERSON. If the House should not grant a further conference, the bill would be dead. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. KEM. Mr. President, I think it has been pretty well established that under the Constitution of the United States and the traditions of this body the power of confirmation is exercised in the case of officers who have policy-making functions, but not in the case of what the Constitution calls inferior officers. It is perfectly clear that in this instance the policy-making body is the Board of Directors of the Commodity Credit Corporation.

The Senate, in the case of that Board, has been completely bypassed. Another board is established to be called the Advisory Council. The Senate is to be accorded the privilege of confirmation of the members of that Council.

I think there can be no question that under the bill the Board of Directors has responsibility for final action in connection with the preparation and promulgation of rules, regulations, and orders. The responsibility for determining the policies of this \$5,000,000,000 corporation is, therefore, clearly placed in the Board.

Mr. President, I should like to say one more thing. I wish to quote the senior Senator from Michigan [Mr. VANDENBERG] on an occasion when a somewhat similar question was before the Senate in the year 1943. The Senator from Michigan referred to it as one of the few ways in which Congress "can reach back in the implementing of its delegated power."

Then he said:

This is a case in which the Senate has something to say and do by way of limitation of the sprawling bureaucracy which is the curse of our present-day democracy.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

Mr. WHERRY and other Senators asked for the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk called the roll.

Mr. MYERS. I announce that the Senator from Arkansas [Mr. FULBRIGHT] and the Senator from South Carolina [Mr. MAYBANK] are absent by leave of the Senate.

The Senator from Georgia [Mr. GEORGE], the Senator from Idaho [Mr. MILLER], and the Senator from New York [Mr. WAGNER] are necessarily absent.

The Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from North Carolina [Mr. HOEY], and the Senator from Montana [Mr. MURRAY] are absent on public business.

I announce further that if present and voting, the Senators from Rhode Island [Mr. GREEN and Mr. McGRATH], the Senator from North Carolina [Mr. HOEY], the Senator from Montana [Mr. MURRAY], and the Senator from New York [Mr. WAGNER] would vote "yea."

Mr. SALTONSTALL. I announce that the Senator from Connecticut [Mr. BALDWIN] and the Senator from Indiana [Mr. JENNER] are absent by leave of the Senate.

The Senator from Indiana [Mr. CAPEHART], who is detained on official business, is paired with the Senator from Minnesota [Mr. THYE], who is also detained on official business. If present and voting, the Senator from Indiana would vote "nay" and the Senator from Minnesota would vote "yea."

The Senator from Kansas [Mr. REED] is detained on official business.

The Senator from New Hampshire [Mr. TOBEY], who is absent on official business, is paired with the Senator from New Jersey [Mr. SMITH], who is absent because of illness. If present and voting, the Senator from New Hampshire would vote "yea" and the Senator from New Jersey would vote "nay."

The result was announced—yeas 33, nays 47, as follows:

YEAS—33

Aiken	Hunt	Magnuson
Anderson	Johnson, Tex.	Morse
Chavez	Johnston, S. C.	Myers
Connally	Kefauver	Neely
Douglas	Kerr	O'Mahoney
Ellender	Kilgore	Pepper
Graham	Langer	Sparkman
Hayden	Long	Taylor
Hill	Lucas	Thomas, Okla.
Holland	McFarland	Thomas, Utah
Humphrey	McMahon	Young

NAYS—47

Brewster	Gurney	O'Connor
Bricker	Hendrickson	Robertson
Bridges	Hickenlooper	Russell
Butler	Ives	Saltonstall
Byrd	Johnson, Colo.	Schoeppel
Cain	Kem	Smith, Maine
Chapman	Knowland	Stennis
Cordon	Lodge	Taft
Donnell	McCarran	Tydings
Downey	McCarthy	Vandenberg
Eastland	McClellan	Watkins
Eaton	McKellar	Wherry
Ferguson	Malone	Wiley
Flanders	Martin	Williams
Frear	Millikin	Withers
Gillette	Mundt	

NOT VOTING—16

Baldwin	Jenner	Smith, N. J.
Capehart	McGrath	Thye
Fulbright	Maybank	Tobey
George	Miller	Wagner
Green	Murray	
Hoey	Reed	

So the report was not agreed to.

Mr. THOMAS of Oklahoma. Mr. President, there were very few Senators on the floor when the debate was had on the conference report. The conference report bill is one which provides for the acquisition of storage for farm commodities. Now that the bill has been killed temporarily, there is bound to be a delay, but in order that we may still try to salvage the opportunity of providing storage for farm commodities so that farmers may have somewhere to place their grain preliminary to getting a loan, I now move that the Senate ask the House of Representatives for a further conference on the bill, and that the Chair appoint the conferees on the part of the Senate.

The VICE PRESIDENT. The question is on agreeing to the motion that the Senate ask for a further conference, and that the Chair appoint the conferees on the part of the Senate.

Mr. WILLIAMS. Mr. President, I wish to amend the motion of the Senator from Oklahoma by providing for instructions to the conferees to insist—

The VICE PRESIDENT. The amendment would not be in order until the motion of the Senator from Oklahoma was passed upon.

Mr. WILLIAMS. A parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. WILLIAMS. Is not a motion to modify or amend the motion of the Senator from Oklahoma in order.

The VICE PRESIDENT. Not to instruct the conferees. The appointment of conferees must first be authorized.

The question is on agreeing to the motion of the Senator from Oklahoma that the Senate ask for a further conference with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to.

Mr. WILLIAMS. Mr. President, I move that the Senate instruct its conferees to insist on the provision of the Senate bill under which the Board of Directors would be subject to confirmation of the Senate, after being appointed by the President.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Delaware that the conferees be instructed to insist on the Senate provision in regard to the Board of Directors.

The motion was agreed to.

The VICE PRESIDENT. The Chair appoints as the conferees on the part of the Senate the same conferees, the Senator from Oklahoma [Mr. THOMAS], the Senator from Louisiana [Mr. ELLENDER], the Senator from New Mexico [Mr. ANDERSON], the Senator from Vermont [Mr. AIKEN], and the Senator from North Dakota [Mr. YOUNG].

Mr. ANDERSON. Mr. President, I hope the Senate realizes fully the action it has just taken, and realizes that a crop of wheat will shortly be coming into the market, that it will not be long before that wheat will be on the ground in Oklahoma, and that there will be no facilities for storage.

Mr. President, in a campaign not too long ago a great deal was said about whether or not the Senate had known it was not providing storage facilities. There can be no question this time. The Senate has decided it is not going to provide storage by the vote it has just taken. Storage cannot be ready in time for this year's harvest if the bill is to be taken up for consideration again. So we will have the spectacle of Members of Congress going back and trying to explain to the farmers in Illinois, to the farmers in Iowa, in Indiana, and in Ohio, why they have not storage for their corn. I suggest to the Senate that the most important roll call, so far as farmers will be concerned for a long time to come, was the roll call that was just had.

I further suggest that the action just taken in instructing the Senate conferees to insist upon its desire for confirmation of Board members by the Senate will further impede the possibility of any sort of agreement. I have no objection to abiding by majority rule, but I hope that at no time in the future, and particularly not in the fall of 1950, will we hear the

assertion that Senators did not know exactly what they were doing in denying storage to the farmers of this country.

Mr. WILLIAMS. Mr. President, I should like to answer the distinguished Senator from New Mexico in this manner: The question of providing storage was not involved in the vote we took in the Senate. Had that been the only issue involved, the bill would have been passed 3 or 4 months ago.

During the recent campaign the Secretary of Agriculture and many other prominent men in the administration went all over this country bemoaning the fact that there were not adequate storage facilities. They charged that to the Eightieth Congress. They deliberately refused to tell the people, or failed to tell them that they were at the same time selling their storage. They did not tell the farmers that at one time they had owned twice as much capacity as they now claim essential, and that even while the Secretary was making his speech pitying the poor farmer, his assistants were in Washington selling and disposing of storage facilities. As late as February 23, this year, the Secretary, in a letter notified me that he had finally arrived at a decision regarding storage facilities.

As one of the New Deal bureaucrats, he was so determined to take charge of the shortage of storage in this country and use the popularity of this bill, that he attached a rider to it whereby he could gain control, as the Senator from Virginia pointed out, of the second largest banking corporation in the world. He wanted sole control over this \$5,000,000,000 banking institution. To achieve this power he placed a rider on the storage bill. Repeatedly I asked the Senator from Illinois, the majority leader, to separate those items and end the controversial provisions of the bill; in which event we could have passed long ago by practically unanimous consent, the storage provisions of the bill. The only reason the farmers in America will not have storage facilities this year is because the Secretary of Agriculture is such a power-mad maniac that he is determined he is going to have his power regardless of what happens to the American farmers.

LEAVES OF ABSENCE

Mr. MUNDT asked and obtained consent to be absent from the sessions of the Senate until June 7.

Mr. BUTLER asked and obtained consent to be absent from the session of the Senate tomorrow.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H. R. 3704) to provide additional revenue for the District of Columbia, and it was signed by the Vice President.

DEPARTMENT OF DEFENSE

The Senate resumed the consideration of the bill (S. 1843) to convert the National Military Establishment into an executive department of the Government, to be known as the Department of Defense; to provide the Secretary of De-

fense with appropriate responsibility and authority, and with civilian and military assistance adequate to fulfill the enlarged responsibility; and for other purposes.

REDUCTION OF FEDERAL EXPENDITURES FOR FISCAL YEAR 1950

Mr. WHERRY. Mr. President, on behalf of the Senator from New Hampshire [Mr. BRIDGES], the Senator from Michigan [Mr. FERGUSON], and myself, I introduce the joint resolution which I send to the desk and ask to have read. Then I shall ask that it be appropriately referred, and shall also ask unanimous consent that I may address the Senate for a few moments.

Mr. MORSE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. MORSE. What is the pending business?

The VICE PRESIDENT. The pending business is consideration of Senate bill 1843. The question is on the amendment of the Senator from Oregon, numbered 2.

Mr. MORSE. I ask my good friend the minority leader when he thinks it will be possible to proceed to consideration of the pending business.

Mr. WHERRY. I am going to speak on the subject of the unification bill as part of my remarks, and I hope that we can have a vote on the bill and on the amendments to the bill before we conclude the session of the Senate tonight.

The VICE PRESIDENT. The joint resolution will be read by title.

The LEGISLATIVE CLERK. A joint resolution (S. J. Res. 97) to reduce Government expenditures for the fiscal year 1950, balance the budget, avert an increase in taxes or rise in the national debt, and maintain a sound national fiscal policy as a basis for the security and economic well-being of the United States.

Mr. WHERRY. Mr. President, I ask unanimous consent that the entire text of the resolution may be printed at this point in my remarks, and that it may be appropriately referred.

There being no objection, the joint resolution (S. J. Res. 97) to reduce Government expenditures for the fiscal year 1950, balance the budget, avert an increase in taxes or rise in the national debt, and maintain a sound national fiscal policy as a basis for the security and economic well-being of the United States, introduced by Mr. WHERRY (for himself, Mr. BRIDGES, and Mr. FERGUSON), was read twice by its title, referred to the Committee on Expenditures in the Executive Departments, and ordered to be printed in the Record, as follows:

Resolved, etc., That in order to balance the budget for the fiscal year ending June 30, 1950, the President is authorized and directed to make, prior to October 15, 1949, such reduction in the amounts to be expended from any and all appropriations made for expenditures in such fiscal year, regardless of fiscal year for which the appropriations were originally enacted, as will in the aggregate equal not less than 5 percent nor more than 10 percent of the total amounts so appropriated for expenditure in such year; provided that expenditures for interest on the

public debt shall not be subject to any such reduction.

SEC. 2. Each such reduction shall be made in a manner calculated to accomplish the most efficient operation of the Government and thereby balance the budget, avert an increase in taxes or rise in the national debt, and maintain a sound national fiscal policy as a basis for the security and economic well-being of the United States.

SEC. 3. No reduction of expenditures authorized herein shall have the effect of reducing any item of appropriation for such fiscal year more than 20 percent.

SEC. 4. The President shall cause the reduction in each appropriation account to be certified to the Secretary of the Treasury and to the Committees on Appropriations and the Committees on Expenditures in the Executive Departments of the Senate and House of Representatives. The amounts so certified shall not be expended but shall be impounded and returned to the Treasury.

SEC. 5. The President shall include in the annual budget for the year ending June 30, 1951, a statement of each reduction made in accordance with this act.

Mr. WHERRY. Mr. President, we all hope and believe that the Army and Navy unification bill, now before the Senate, will become law and strengthen our national security at less cost and with greater operating efficiency.

Efforts to unify, coordinate, synchronize, integrate and otherwise weld the several arms of national defense into a compact, hard-hitting force for the security of our country in event of national emergency, have been under way for many years, as was brought out very forcefully in the addresses delivered by the distinguished junior Senator from Oregon [Mr. MORSE] and the junior Senator from Massachusetts [Mr. LODGE], and other Senators who discussed the so-called Morse-Lodge amendment yesterday in a lengthy debate. I should like to say here and now that if it were not for the fact that I feel the bill now before the Senate is the only kind of legislation on the subject which it is likely can be passed, I would have supported the Morse amendment. I predict now that the day will come when we will the terms of the Morse amendment become a reality so far as unification is concerned.

There are Members of this body who were battling for unification of the armed services long before I came to the Senate. Gradually, and notwithstanding many obstacles, they are seeing their vision become reality. I believe that some of the amendments which may not be adopted now will be adopted at a later date. Since the junior Senator from Nebraska has been a Member of this body he has contributed, as best he could, toward achieving greater efficiency and economy in the armed services while strengthening our defenses.

We all want an adequate, effective national defense. And we all want to see that the taxpayers receive a dollar's worth of defense for every dollar they provide.

In looking to national defense, there is no room for partisan political considerations; at least I feel that way about it. Anyone who attempts to drag national defense into the political arena does a disservice to his country.

Happily, there is no party line in our Armed Services Committee and I am

sure that situation prevails on our Appropriation Committee and in the consideration of national defense problems on the Senate floor.

As the senior Senator from Maryland [Mr. TYDINGS] has so well told the Senate, and as other Members have also stated, the pending unification bill does not meet the views of every individual in every provision. There are sharp differences of opinion on some features, and they are honest differences of opinion. But as a whole, it is a good bill, and I am confident that it will be passed by the Senate with overwhelming support from both sides of the aisle.

In these uneasy times, I am sure that the thought which is uppermost in the minds of Senators is to do in national defense what is best for our country.

But with all our labor to improve and strengthen our national defenses, we will have failed unless we also do our utmost to establish a wholesome economic climate to keep America strong economically, strong financially, and strong spiritually.

Behind our Army and Navy and Air Force there must be a strong nation, because it is from a strong nation that our Military Establishment obtains the sinews of defense.

Members of the Senate are familiar with the fiscal situation that confronts our Government today. We all know that at the rate we are appropriating and authorizing expenditures, we are building for a staggering deficit in the Federal Treasury. There can now be no doubt about it.

The Federal Treasury today is operating in the red. I am informed by the Treasury Department that as of May 23—last Monday—the actual deficit for the current fiscal year was \$1,273,955,547. It is estimated that the Treasury deficit for the fiscal year ending next June 30 will be \$599,706,231. The estimate of the Treasury as of last Monday, taking into consideration the current receipts that will come in, is that there will be a deficit at the end of this fiscal year of nearly \$600,000,000.

Think of it! The handsome Treasury surplus in the banner year 1948 that made possible the much-needed tax reduction voted by the Eightieth Congress has been entirely wiped out.

The simple arithmetic of the situation that confronts us as we look to the next fiscal year is known to every Member of this body. There is no escape from the fact that unless we reduce budgeted expenditures for fiscal 1950—the 12 months beginning next July 1—there will be a Treasury deficit of more than \$3,000,000,000. Those are the figures which were given to us by the distinguished Senator from Virginia and by the able Senator from Georgia [Mr. GEORGE] in the early days of the present session. Similar figures have been given the Senate by Members on this side of the aisle. They have called attention to the deficit we shall have for the next fiscal year, which has been estimated to be as high as three and a half billion dollars.

The signs are multiplying that national income, from which taxes are de-

rived, is declining. Obviously, prudence dictates that we deal with the situation.

There are some persons who contend that we should increase Government expenditures. They have the fallacious notion that the more the Government spends, the greater the deficit, and the higher the taxes, the more prosperous will be our country.

They believe that we can spend ourselves out of debt; that the way to level off the debt is to spend more for public works.

Competent authorities, including many Members of this body, have warned that such a course leads only to national disaster. Indeed, it would be a betrayal of the American people if Congress fails to bring expenditures into balance with current receipts.

The only alternatives are a return to sky-high wartime taxes, or deficit financing. Simply elevating the brackets does not mean that we shall get the money. The other alternative is deficit financing.

Higher taxes at a time of declining national income could only result in stifling commerce and industry. If Senators do not think so, let them read the letters which I am receiving from small-business men all over the country, asking relief not only from the taxes which they now pay, but from higher taxes for 1950. One of the most disturbing influences upon business today is the uncertainty over whether there is to be a tax increase. It is stopping business expansion in many instances. Confronted by this menace, businessmen naturally are reluctant to make long-range programs for new plants and plant expansions, which would mean more jobs and more national income.

Some of us in this body have been trying to reduce appropriation bills as they come before us. Mr. President, we confront a condition, and not a theory. Nothing is to be gained by moaning over the lack of information to guide us in making appropriations item by item. Congress simply is not equipped at present to make the thorough studies which are essential to obtain justifications for the countless items which appear in all the appropriation bills.

It is my earnest hope that, out of the present chaotic, antiquated procedure of dribbling appropriation bills through the Congress we shall find the incentive to make improvements before the present session of Congress ends.

I believe Congress should provide for its own year-around study of Government expenditures, with a joint Senate and House committee keeping close tab, supported by information kept constantly current by an adequate staff of specialists.

This morning before a subcommittee of the Committee on Rules and Administration, which is now considering Senate Concurrent Resolution 18, known as the Byrd resolution for a single appropriation, I presented Senate Concurrent Resolution No. 38. I joined in sponsoring the Byrd measure, and I am for it; but I joined in submitting another resolution, which provides for an organization in the Senate similar to the personnel of the Bureau of the Budget—not great

U. S. C. 503 (c)), is hereby amended to read as follows:

"(c) Payment of pension under the provisions of this act shall not be made to any widow without child, or a child, whose annual income exceeds \$1,200 or to a widow with a child or children whose annual income exceeds \$2,500."

SEC. 5. No pension or increase of pension authorized pursuant to this act shall be paid to any person who advocates or is a member of an organization that advocates the overthrow of the Government of the United States by force or violence: *Provided*, That there shall be considered as prima facie evidence, for the purposes hereof, an affidavit by a person that he does not advocate and is not a member of an organization that advocates the overthrow of the Government of the United States by force or violence, and accepts any pension or increase of a pension authorized pursuant to this act, shall be guilty of a felony, and upon conviction shall be fined not more than \$1,000 or imprisoned for not more than 1 year, or both: *And provided further*, That the above penalty clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SEC. 6. Where eligibility for pension or increase of pension is established by virtue of this act, pension shall be paid from date of receipt of application therefor in the Veterans' Administration, but in no event prior to the first day of the second calendar month following the enactment of this act: *Provided*, That payment of death pension may be made from date of death of a veteran where claim therefor is filed within 1 year after date of death of the veteran, but no payment shall cover a period prior to the first day of the second calendar month following the enactment of this act.

Mr. RANKIN (interrupting the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, the bill to be printed in the RECORD at this point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The Clerk will report the committee amendment.

The Clerk read as follows:

Line 19, page 4, after the word "guilty", insert the word "of."

The committee amendment was agreed to.

Mr. RANKIN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. GORE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4617) to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children, had directed him to report the same back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

Mr. RANKIN. Mr. Speaker, I move the previous question on the bill and amendment thereto to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DAVIS of Wisconsin. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. DAVIS of Wisconsin. I am, in its present form.

The SPEAKER. Does any Member unqualifiedly opposed to the bill have a motion to recommit? [After a pause.] The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. DAVIS of Wisconsin moves to recommit the bill to the Committee on Veterans' Affairs.

Mr. RANKIN. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

Mr. DAVIS of Wisconsin. Mr. Speaker, on that I ask for the yeas and nays. The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. RANKIN. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 365, nays 27, answered "present" 5, not voting 34, as follows:

[Roll No. 107]

YEAS—365

Abbott	Breen	Curtis
Abernethy	Brehm	Dague
Addonizio	Brooks	Davenport
Albert	Brown, Ga.	Davis, Ga.
Allen, Calif.	Brown, Ohio	Dawson
Allen, Ill.	Bryson	Deane
Allen, La.	Buchanan	DeGraffenried
Andersen,	Buckley, Ill.	Delaney
H. Carl	Buckley, N. Y.	Denton
Anderson, Calif.	Bulwinkle	D'Ewart
Andresen,	Burdick	Dingell
August H.	Burke	Dollinger
Andrews	Burleson	Dondero
Angell	Burnside	Donohue
Arends	Burton	Doughton
Aspinall	Byrne, N. Y.	Douglas
Auchincloss	Camp	Durham
Bailey	Canfield	Eberharter
Barden	Cannon	Elliott
Baring	Carnahan	Ellsworth
Barrett, Pa.	Carroll	Engel, Mich.
Barrett, Wyo.	Case, S. Dak.	Engle, Calif.
Bates, Ky.	Celler	Evins
Bates, Mass.	Chatham	Fallon
Beall	Chelf	Felghan
Beckworth	Chesney	Fellows
Bennett, Fla.	Chipperfield	Fenton
Bennett, Mich.	Christopher	Fernandez
Bentsen	Chudoff	Fisher
Biemiller	Church	Flood
Bishop	Clemente	Fogarty
Blackney	Cole, Kans.	Forand
Bland	Colmer	Ford
Blatnik	Cooley	Frazier
Boggs, Del.	Cooper	Fugate
Boggs, La.	Corbett	Fulton
Bolling	Cotton	Furcolo
Bolton, Md.	Cox	Garmatz
Bolton, Ohio	Crawford	Gathings
Bonner	Crook	Gavin
Boykin	Crosser	Gillette
Bramblett	Cunningham	Golden

Goodwin	Lynch	Rhodes
Gordon	McCarthy	Ribicoff
Gore	McConnell	Richards
Gorski, Ill.	McCulloch	Riehlman
Gorski, N. Y.	McDonough	Rivers
Gossett	McGrath	Rodino
Graham	McGregor	Rogers, Fla.
Granahan	McGuire	Rogers, Mass.
Granger	McKinnon	Rooney
Grant	McMillan, S. C.	Sabath
Green	McMillen, Ill.	Sadlak
Gregory	McSweeney	Sadowski
Gross	Mack, Ill.	St. George
Hagen	Mack, Wash.	Sanborn
Halleck	Madden	Sasser
Hand	Magee	Scott, Hardie
Harden	Mahon	Scott,
Hardy	Mansfield	Hugh D., Jr.
Hare	Marcantonio	Scrivner
Harris	Marsalis	Scudder
Hart	Martin, Iowa	Secrest
Harvey	Martin, Mass.	Shafer
Havener	Mason	Sheppard
Hays, Ark.	Morrow	Short
Hays, Ohio	Meyer	Simpson, Ill.
Hébert	Michener	Simpson, Pa.
Hedrick	Miles	Smathers
Heffernan	Miller, Calif.	Smith, Kans.
Heller	Miller, Md.	Smith, Wis.
Herlong	Miller, Nebr.	Spence
Herter	Mills	Staggers
Hill	Mitchell	Steed
Hinshaw	Monroney	Stefan
Hoeven	Morgan	Stigler
Hoffman, Ill.	Morris	Stockman
Hoffman, Mich.	Morrison	Sullivan
Hollfield	Moulder	Sutton
Holmes	Multer	Tackett
Hope	Murdock	Talle
Horan	Murray, Tenn.	Tauriello
Howell	Murray, Wis.	Taylor
Huber	Nelson	Thomas, Tex.
Irving	Nicholson	Thompson
Jackson, Calif.	Nixon	Thornberry
Jackson, Wash.	Norblad	Tollefson
James	Norrell	Trimble
Jenkins	O'Brien, Ill.	Underwood
Jennings	O'Brien, Mich.	Van Zandt
Jensen	O'Hara, Ill.	Velde
Johnson	O'Konski	Vinson
Jonas	O'Neill	Vorss
Jones, Ala.	O'Sullivan	Vursell
Jones, Mo.	O'Toole	Wagner
Jones, N. C.	Pace	Walter
Karst	Patman	Welch
Karsten	Patten	Welch, Calif.
Kearney	Patterson	Welch, Mo.
Kearns	Perkins	Werdel
Keating	Pfeifer	Wheeler
Keefe	Joseph L.	White, Calif.
Kelley	Pfeiffer	Whitten
Kennedy	William L.	Whittington
Keogh	Philbin	Wickersham
Kerr	Phillips, Calif.	Wier
Kilday	Phillips, Tenn.	Wigglesworth
King	Pickett	Williams
Kirwan	Poage	Willis
Klein	Polk	Wilson, Ind.
Kruse	Potter	Wilson, Okla.
Kunkel	Poulson	Winstead
Lane	Powell	Withrow
Lanham	Preston	Wolcott
Larcade	Price	Wolverton
Latham	Quinn	Wood
LeCompte	Rabaut	Woodhouse
LeFevre	Rains	Woodruff
Lemke	Ramsay	Worley
Lesinski	Rankin	Yates
Lind	Redden	Young
Linehan	Reed, Ill.	Zablocki
Lodge	Reed, N. Y.	
Lyle	Rees	

NAYS—27

Battle	Gwinn	Noland
Byrnes, Wis.	Hale	Rich
Case, N. J.	Hall	Smith, Va.
Cole, N. Y.	Leonard W.	Stanley
Coudert	Harrison	Taber
Davis, Wis.	Heslton	Teague
Eaton	Jacobs	Towe
Elston	Kean	Wilson, Tex.
Gamble	Kilburn	
Gary	Morton	

ANSWERED "PRESENT"—5

Hobbs	McCormack	Wadsworth
Judd	Macy	

NOT VOTING—34

Bosone	Cavalcante	Combs
Cariyle	Clevenger	Davies, N. Y.

Davis, Tenn.	Lichtenwalter	Priest
Dolliver	Lovre	Regan
Doyle	Lucas	Sikes
Gilmer	Marshall	Sims
Hall,	Murphy	Smith, Ohio
Edwin Arthur	Norton	Thomas, N. J.
Hull	O'Hara, Minn.	Walsh
Javits	Passman	Whitaker
Jenison	Peterson	White, Idaho
Kee	Plumley	

So the bill was passed.

The Clerk announced the following pairs:

Mr. Passman for, with Mr. Hobbs against.
Mr. Priest for, with Mr. Macy against.
Mr. Doyle for, with Mr. Judd against.
Mr. Peterson for, with Mr. Wadsworth against.

Mr. Lovre for, with Mr. McCormack against.
Mr. Sikes for, with Mr. Sims against.

General pairs until further notice:

Mr. Carlyle with Mr. Lichtenwalter.
Mr. Gilmer with Mr. O'Hara of Minnesota.
Mr. Calvalcante with Mr. Dolliver.
Mr. Davies of New York with Mr. Jenison.
Mr. Regan with Mr. Smith of Ohio.
Mr. Walsh with Mr. Plumley.
Mr. Whitaker with Mr. Clevenger.
Mr. Murphy with Mr. Hull.
Mr. Lucas with Mr. Edwin Arthur Hall.
Mr. Davis of Tennessee with Mr. Thomas of New Jersey.
Mr. Marshall with Mr. Javits.

Mr. WADSWORTH. Mr. Speaker, I have a live pair with the gentleman from Florida, Mr. PETERSON. I voted "nay." If present he would have voted "aye." I therefore withdraw my vote and answer "present."

Mr. HOBBS. Mr. Speaker, I voted "nay." I have a pair with the gentleman from Louisiana, Mr. PASSMAN. Were he present he would have voted "aye." I therefore withdraw my vote and answer "present."

Mr. MCCORMACK. Mr. Speaker, I have a live pair with the gentleman from North Dakota, Mr. LOVRE. I voted "nay." If present, he would have voted "aye." I therefore withdraw my vote and answer "present."

Mr. JUDD. Mr. Speaker, on this roll call I voted "nay." I have a live pair with the gentleman from California, Mr. DOYLE. Were he present he would have voted "aye." I therefore withdraw my vote and answer "present."

Mr. MACY. Mr. Speaker, I have a live pair with the gentleman from Tennessee, Mr. PRIEST. I voted "nay." Were he present he would have voted "aye." I therefore withdraw my vote and ask to be recorded present.

The result of the vote was announced as above recorded.

The title was amended so as to read: "A bill to liberalize the requirement for payment of pension in certain cases to veterans and their widows and children, and for other purposes."

A motion to reconsider was laid on the table.

REQUEST FROM SENATE FOR RETURN OF BILL

The SPEAKER laid before the House the following communication, which was read by the Clerk:

SENATE OF THE UNITED STATES.

Ordered, That the Secretary be directed to request the House of Representatives to return to the Senate the bill (S. 930) entitled "An act to provide for the liquidation of the trusts under the transfer agreements with

State rural rehabilitation corporations, and for other purposes."

The SPEAKER. Without objection, it is so ordered.

There was no objection.

AMENDMENT OF CHARTER OF COMMODITY CREDIT CORPORATION

Mr. SPENCE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. SPENCE, BROWN of Georgia, PATMAN, MONRONEY, WALTER, GAMBLE, and KUNKEL.

PERMISSION TO ADDRESS THE HOUSE

Mr. WHITAKER. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

ANNOUNCEMENT

Mr. WHITAKER. Mr. Speaker, I wish these few seconds to explain that I was unavoidably detained on the last roll call. Had I been present I would have voted "aye."

SPECIAL ORDER GRANTED

Mr. BURKE. Mr. Speaker, I ask unanimous consent to address the House for 1 hour on Monday next at the close of the legislative business of the day on the subject of accident-prevention legislation for hazardous industries.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

EXTENSION OF REMARKS

Mr. BURDICK asked and was given permission to extend his own remarks in the RECORD.

Mr. JUDD asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances and in each to include extraneous matter.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the Appendix of the RECORD in three instances and in each to include extraneous matter.

Mr. SANBORN asked and was given permission to extend his remarks in the RECORD and include an article.

Mr. JOHNSON asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. WILLIAM L. PFEIFFER asked and was given permission to extend his remarks in the RECORD in two instances and to include in each extraneous matter.

Mr. BARRETT of Pennsylvania asked and was given permission to extend his own remarks in the RECORD.

Mr. ROONEY asked and was given permission to extend his remarks in the

RECORD and include an editorial from *Il Progresso Italo-Americano*.

Mr. TRIMBLE asked and was given permission to extend his remarks in the RECORD and include extraneous matter.

Mr. DAVIS of Georgia asked and was given permission to extend his remarks in the RECORD and include a petition.

Mr. O'SULLIVAN asked and was given permission to extend his own remarks in the Appendix of the RECORD and include two newspaper articles.

AMENDMENT TO DISPLACED PERSONS ACT OF 1948

Mr. SABATH. Mr. Speaker, I call up House Resolution 26 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H. R. 4567) to amend the Displaced Persons Act of 1948. That after general debate, which shall be confined to the bill and continue not to exceed 2 hours, to be equally divided and controlled by the chairman and the ranking minority member of the Committee on the Judiciary, the bill shall be read for amendment under the 5-minutes rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

Mr. SABATH. Mr. Speaker, I yield myself such time as I might desire to utilize.

Mr. Speaker, in the last Congress a displaced persons bill was passed to take care, at least in part, of the unfortunate conditions of displaced persons. However, due to certain restrictions and limitations contained in that bill, very few of those whom we were trying to aid and assist have actually been permitted to enter our country.

The present bill, which will be considered if this resolution is passed, amends the Displaced Persons Act of 1948 so as to change the "cut-off" date from December 22, 1945, to January 1, 1949; it eliminates the statutory preferences of 40 percent and 30 percent, respectively, for displaced persons whose place of origin or country of nationality has been de facto annexed by a foreign power, or who are agriculturists; it increases by 2,000 the number of displaced orphans to be admitted as nonquota immigrants; it authorizes the issuance to displaced persons and to displaced orphans in the western zones of Germany and Austria, and in Italy and to certain other categories of prospective immigrants, of immigration visas not to exceed 339,000; it provides for the proper quota reductions; it changes the "cut-off" date for displaced persons already in the United States, from April 1, 1948, to April 1, 1949; it adjusts preferences in the admission of displaced persons by including farmers and farm workers into the first-preference category; it extends for two more years, until July 1, 1952, the program of admission of "persons of German ethnic origin" under the German quota and

AMENDING THE COMMODITY CREDIT CORPORATION CHARTER ACT

JUNE 2, 1949.—Ordered to be printed

Mr. SPENCE, from the committee of conference, submitted the
following

CONFERENCE REPORT

[To accompany S. 900]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment insert the following: *That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')"*.

SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "*The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: Provided, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that*

existing privately owned storage facilities for such commodity in the area concerned are not adequate: Provided further, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: And provided further, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: And provided further, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. DIRECTORS' ADVISORY BOARD: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as

amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

“(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.”

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

“SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661).”

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

(a) by inserting in the second sentence thereof after the word “jurisdiction” a comma and the following: “without regard to the amount in controversy,”;

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: “No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: Provided, That the defendant shall not be awarded a judgment on

any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court".

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference recommended that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment and that the House agree to the same.

In general the conference substitute follows the language of the House amendment. Except for clarifying changes, the differences between the conference substitute and the House amendment are indicated below.

The House amendment provided that the members of the Board of Directors of the Commodity Credit Corporation would be appointed by the Secretary of Agriculture and serve at his pleasure. The Senate bill provided that the members of the Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. The conference substitute contains the provision of the Senate bill providing that the Board of Directors of the Corporation be appointed by the President by and with the advice and consent of the Senate.

The House amendment modified the provision in the present Charter Act which prohibits the Corporation from acquiring real property or any interest therein in such a manner that the Corporation could rent or lease office space necessary for the conduct of its business, or acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing and discharging obligations owing to the Corporation, or of otherwise protecting the financial interest of the Corporation. The Senate bill contained a similar provision excepting, however, the Senate bill provided that such authority could not be used for storage for cotton, tobacco, and refrigerated cold storage. The conference substitute contains the language of the House amendment and the following proviso with respect to refrigerated cold storage:

Provided further, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose.

The conference substitute would permit the Corporation to lease refrigerated cold storage facilities but would prohibit it from constructing or purchasing such facilities except with funds specifically provided by Congress for that purpose. This limitation on the construction or purchase of refrigerated cold storage facilities is not intended to prevent the Corporation from making replacements of machines and equipment, repairs or improvements necessary to operate and maintain leased cold storage facilities.

Both the House amendment and the Senate bill contained a provision, included in the conference substitute, which provides that before the Corporation could acquire real property or any interest therein for the purpose of providing storage facilities for any commodity, it must determine that existing privately owned storage facilities for such commodity in the area concerned are not adequate. It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved. For some commodities, especially those which are largely consumed on or near the farms which produce them, the "area concerned" must of necessity mean the immediate area in which the commodity is produced, because it is not customary or practicable to store the commodity in areas remote from points of origin. For other commodities a different situation prevails. In the case of cotton, as an example, the "area concerned" could well mean the entire cotton-producing belt. The whole cotton-marketing system, as well as the freight-rate structure, is built around the fact that cotton moves for storage toward the ports and consuming mills at no additional expense to the grower.

Wool, as another example, normally is stored in the consuming areas of the Northeast, far removed from the heavier producing areas of the West.

This fact has been recognized by the Corporation in the operation of its cotton loan and purchase programs. Where threatened or confronted with total local cotton stocks in excess of local storage capacity, it has been the practice of the Corporation to "reconcentrate" sufficient loan or purchased stocks to provide storage space for the remainder of local cotton-storage demand. Such "reconcentrated" cotton has been moved to available cotton-storage facilities en route to ports of exportation and domestic consuming areas so that, under the railroad cotton rate and "transit" structure, the cotton could be reshipped to consuming destinations without loss in transportation costs. This practice—common among private cotton marketing agencies—recognizes the economy of utilizing available storage capacity along routes of normal movement, as opposed to the waste involved in providing additional local storage capacity which will not be substantially utilized year after year.

In its 1948 cotton-loan program, the Corporation applied this principle in inaugurating its "receiving agency" arrangements, under which the Corporation "receiving agent" would receive the cotton from the producer, and, without delay, provide the producer with full benefits of the loan program. Such cotton was placed under railroad bills of lading, consigned to available cotton warehouses located along authorized railroad routes to seaports and domestic consuming areas. Under this procedure, the railroad bills of lading, initially used in lieu of warehouse receipts in consummating the loan, are later exchanged for insured warehouse receipts issued by the warehouses to which the cotton is consigned. This procedure has operated to the satisfaction of all concerned. It permits prompt use of the loan procedure by cotton producers, and maximum economical utilization of available cotton storage facilities.

The House amendment contained a provision with respect to the storage of grain on farms which provided that the Corporation shall

make loans not to exceed $17\frac{1}{2}$ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made by the Corporation and the growers. The Senate bill contained no similar provision. The conference substitute follows the language of the House amendment except that it eliminates the condition that the loans not exceed $17\frac{1}{2}$ cents per bushel of the estimated crop.

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation (1) shall be limited in any way in utilizing other authority contained in its charter to assist farmers including other than grain farmers by loans or other means in providing adequate storage facilities; (2) shall look exclusively to the proceeds of price-support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities; (3) shall be restricted from making loans available to growers for storage facilities through banks and other established lending agencies; and (4) shall be required to apply the full amount of the proceeds of any price support received by a grower against the loan made to the grower for storage. (On the contrary, it is contemplated that the Corporation would provide for repayment of the loan over a period of time.)

Both the Senate bill and the House amendment contained provisions permitting the Commodity Credit Corporation to exchange agricultural commodities for strategic and critical materials produced abroad. The Senate bill placed these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act. The House amendment set them forth as an amendment to the act approved August 11, 1939, entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad." The conference substitute places these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act and follows the language of the provision in the House amendment except that there was added thereto the words "easily storable," contained in the Senate bill, in the description of the agricultural commodities which shall be given priority in exchange for strategic and critical materials, and there was also added a provision contained in the Senate bill that strategic and critical materials acquired by Commodity Credit Corporation shall be transferred to the stock pile "to the extent approved by the Munitions Board of the National Military Establishment." In placing the authority for the exchange of agricultural commodities for strategic and critical materials in the Commodity Credit Corporation Charter Act, as did the Senate bill, the term "agricultural commodities" has the meaning ascribed to it in section 2 of the Commodity Credit Corporation Charter Act.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

supply Argentina, oil circles pointed out that the logical area would be Shell's production in Venezuela and its refinery at Curacao, though some cargoes might be brought from the Middle East.

RECOVERY OR WHAT?

Mr. President, that is a partial answer to some of the debate which we have heard here on the ECA and the Marshall plan, when it was said that recovery was the objective in Britain. All they ask now in the production of oil is an eight-fold increase—many other industrial production fields are being approached on the same principle—on our gift-loans—it is just a matter of degree.

Mr. President, I do not blame England or the British Empire—the responsibility rests with us in the Senate and the House.

QUICKSILVER AND STRATEGIC METALS

Mr. President, I ask unanimous consent to have inserted in the RECORD, to follow my previous remarks in connection with the article in the Journal of Commerce of New York dated June 1, an article on the production of quicksilver.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

QUICKSILVER OUTPUT IS LOW; MENTHOL HIGHER AT \$10.50 PER POUND

Despite the fact that domestic production of quicksilver in the first quarter of this year amounting to 1,440 flasks exceeded expectations in some quarters, the output was, at an annual rate, smaller than in any other covered by the production record beginning with 1850, Bureau of Mines reported here yesterday.

Imports, meanwhile, though little more than two-thirds of the quarterly average for 1948, were far in excess of prewar quarterly averages amounting to 7,133 flasks in the first 3 months of this year. Imports plus production, nonetheless, failed to cover the continued high rate of domestic consumption which was likewise far above prewar levels, and stocks were reduced.

First-quarter consumption of quicksilver rose 400 flasks as compared with the first quarter of last year to 10,400 flasks, while stocks fell from 30,165 flasks at the end of December to 21,063 flasks at the end of March.

OTHER TRADE TREATIES

Mr. MALONE. In addition, Mr. President, with further reference to the trade treaties which are being made throughout the world, with which we have very little to do; a trade treaty has just been concluded between Britain and Argentina. They agree on a trade pact, and I call attention at this point to a clipping from the Times-Herald of May 29. It is an Associated Press dispatch from Buenos Aires, and is very short. The subject has been given little weight in the press. It is as follows:

Britain and Argentina agreed today on a 5-year commercial treaty, the biggest in the long history of their trade relations. It covered an interchange of meat, fuel, and other products.

Mr. President, without going into detail, what it covers is that Great Britain will furnish Argentina oil, and Argentina will furnish Great Britain with meat and other products in exchange.

I want to call attention to the fact that the way we handle our trade treat-

ies under the 1934 Trade Agreements Act is that we make a treaty with any one of the nations of the world, then under our multilateral provisions, the concessions we make to the one nation are immediately available to every other nation. We exact nothing whatever from the other nations and they contribute nothing to the transaction. These treaties are being made while our delegates are in France, trying to further reduce our own tariffs and import fees and dealing with all of the nations. While the French Conference is in session these same nations are making trade treaties among themselves which are applicable only to the actual parties to such treaties. In other words, the trade agreement which is made between Great Britain and Argentina gives us nothing, gives no other nation anything. It is simply a trade treaty made for the mutual advantage of each one of the nations party to the agreement, with no concessions whatever to any other nation.

Mr. President, further along the same line I ask unanimous consent to have printed at this point in the RECORD a special to the New York Times dated Lake Success, May 26, published in the New York Times of May 27.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UN NATIONS SCORED ON SLUMP POLICIES—ECONOMIC REPORT CITES PLANS FOR CURBING IMPORTS, DUMPING TO "EXPORT" UNEMPLOYMENT—HITS MOVE AS DISASTROUS—FINDINGS ARE BASED ON SURVEY OF STEPS TO MAINTAIN STABILITY, JOBS IN CASE OF RECESSION

LAKE SUCCESS, May 26.—Stringent curtailment of imports, dumping of surplus goods in foreign markets, and other policies designed to "export" unemployment in the event of a major recession are now planned by many countries throughout the world, economic experts of the United Nations reported today.

Such policies, if put into effect, would sound the death knell of international economic cooperation and would intensify evils resulting from a global depression, the experts declared. Their conclusions were based on replies by member governments of the United Nations to a secretariat questionnaire on contemplated measures to maintain domestic stability and full employment.

Concluding its session here, the United Nations Economic and Employment Commission warned countries mapping restrictive antidepression policies that these measures would defeat their own purpose by deepening and broadening any downturn in economic activity. Commission members recalled the disastrous economic nationalism that engulfed the world when competitive import restrictions and currency devaluation were enacted by almost every country during the 1930's.

WARNING IS URGED

Governments should be told in strong terms, the experts said, that it is urgently necessary for them to harmonize their domestic full-employment and stability policies with those of their neighbors, along the lines laid down by international agencies working in the field.

The Commission called for adoption of expansionist measures to counter a recession instead of curbs on trade and production, as now envisaged by many countries. Governments should seek immediate authorization from their respective legislative organs to coordinate a full-employment policy on the

international level if they now lack such powers, it was urged.

Convocation of an international economic conference to deal with the problems of global stability and to consider possible emergency expedients, is not required now, the commission found. The annual conferences of the boards of governors of the International Monetary Fund and the International Bank for Reconstruction and Development provide an adequate forum for discussion of anticyclical action on a world-wide basis, the commission experts declared.

Suggestions that the basic charters of these bodies be amended to give them greater responsibility in averting recession can best be considered in the conferences of their governing bodies, it was held.

BACKWARD AREAS DISCUSSED

Led by Norway and India, the commission stressed the link between anticyclical policies in industrialized countries and economic development in economically backward areas. International arrangements for utilization of excess capacity in developed countries for the benefit of less developed countries were successfully advocated before the commission by Norwegian delegate Gunnar Boe.

Mr. Boe argued that the United Nations should take the lead in channeling surplus output of factories in industrialized countries to chronically undernourished populations in Asia, Africa and Latin America. He tentatively suggested creation of an international stabilization fund to finance purchase of such surplus commodities by granting long-term loans at low interest to underdeveloped countries.

Although the commission took no action on his proposed stabilization fund, it did endorse his proposal for investigation of the possibilities for using excess productive equipment in one country in the interests of economic development in another.

Elsewhere in its report the commission took note of the leveling off in economic activity, including declines in production and employment, now in progress in the United States and certain western European countries. It called upon these states to formulate comprehensive antidepression programs and present them to the next session of the economic and social council, beginning July 5, in Geneva, Switzerland, where they should be integrated in a single global program for full employment.

ECA POLICIES

Mr. MALONE. The dispatch says in part:

Stringent curtailment of imports, dumping of surplus goods in foreign markets and other policies designed to "export" unemployment in the event of a major recession are now planned by many countries throughout the world, economic experts of the United Nations reported today.

In other words this is directly in line with the language I mentioned in the ECA on April 7, from the American magazine, in the article by Mr. Hoffman, the head of the ECA, who said in effect, that it is necessary for the European nations to increase their exports by about 65 percent, indicating that these goods must largely be exported to the United States. It was Sir Stafford Cripps who said that it was necessary to educate the American public to a new level of tariffs for that purpose, so that they could export their products of low-cost labor—of course he did not refer to English labor in that language—to America, thus displacing the American workmen who work on the higher wage living standards.

The article by Mr. Hoffman was a very well prepared one and very clear. He expressed the desire to increase the exports of the European nations to the United States and, for example, mentioned specifically that if the 14 cents per pound tariff on butter could be eliminated then Sweden can export several million pounds of butter to the United States.

What he actually said was that it might be a good idea to run a "fair train" throughout the United States taking orders for European goods. That, Mr. President, fits in with the articles which I have just submitted for the RECORD.

Some now are apparently becoming worried that such policies as they advocate will not sit too well with the American public since American workers are now being displaced in increasing numbers through such imports. The article I just placed in the RECORD, from the New York Times, says further:

Such policies, if put into effect, would sound the death knell of international economic cooperation and would intensify evils resulting from a global depression, the experts declared. Their conclusions were based on replies by member governments of the United Nations to a Secretariat questionnaire on contemplated measures to maintain domestic stability and full employment.

EXAMPLE OF FREE TRADE AND UNEMPLOYMENT

Mr. President, I desire to read into the RECORD a wire just received from Mr. C. Geraghty, president of the Chamber of Commerce of Ely, Nev., outlining a direct result of an action of the Congress of the United States in extending the free-trade period on copper for 1 year. The proposal was a 2-year extension, but through an agreement with Senator GEORGE, of Georgia, I was successful in shortening the extension to 1 year:

ELY, NEV.

Senator GEO. W. MALONE,
Senate Office Building,
Washington, D. C.:

Notice posted yesterday at Consolidated Copper Mines Corp., Kimberly, Nev., for complete close down June 30. We certain this to be full liquidation and this concern lost to this district and State forever. Four hundred fifty families to be affected this action. This district cannot absorb one family for new job and ultimate end is that these persons will have to leave here with no jobs in sight. Ultimate effect with this closing down together with all other small operators this district serious outcome.

C. GERAGHTY,
President, Ely Chamber of Commerce.

Mr. President, the junior Senator from Nevada said on that occasion that the 4-cent tariff was simply an assurance to investors and of little effect as long as the threat of war or other economic factors kept the foreign price of copper up to or above the cost of domestic production; however, that when it dropped below that point, and it surely would when normal conditions returned, then every independent copper producer in the United States, without foreign copper possessions, would be closed down, because \$10 and \$12 per day American workmen could not compete with the \$1.50 to \$4 foreign labor in the production of copper—that it was just as simple as that.

Mr. President, the foreign price did drop below the domestic costs, and the independent mines are closing.

The same will be, and is, true in regard to lead, zinc, tungsten, textiles, precision instruments, and many other minerals and materials important to our national security, employment, and taxable property.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Swanson, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes.

AMENDMENT OF COMMODITY CREDIT CORPORATION CHARTER ACT—CONFERENCE REPORT

Mr. THOMAS of Oklahoma. Mr. President, I submit the conference report on Senate bill 900, to amend the Commodity Credit Corporation Charter Act, and for other purposes, which has just come over from the House of Representatives, and I ask unanimous consent for its immediate consideration. It is the conference report in which the Senator from Delaware is interested.

The PRESIDING OFFICER. The report will be read.

The report was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words 'direction and control of its Board of Directors' at the end of the said section and substituting therefor the words 'supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary")'."

"SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: 'The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: *And provided*

further, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets.'

"SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be

taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings.'

"SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661).'

"SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

"(a) by inserting in the second sentence thereof after the word 'jurisdiction' a comma and the following: 'without regard to the amount in controversy;';

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: 'No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit;'; and

"(c) by inserting before the period at the end thereof a comma and the following: 'except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court'.

"SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS "COMMODITY CREDIT CORPORATION"

"(f) No individual, association, partnership, or corporation shall use the words "Commodity Credit Corporation" or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

ELBERT THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

Mr. THOMAS of Oklahoma. Mr. President, the conferees on the part of the Senate entered the second conference with instructions, the instructions being to insist that the members of the main Board be appointed by the President by and with the advice and consent of the Senate. When we presented our instructions to the House conferees they agreed on condition that we would recede from our amendment respecting the Advisory Board, which provided for confirmation of its members by the Senate.

So as it now stands the members of the main Board are to be appointed by the President and confirmed by the Senate, but the members of the Advisory Board are to be appointed by the President without confirmation by the Senate.

Mr. WHERRY. Is that the only point of disagreement?

Mr. THOMAS of Oklahoma. That is the only point of disagreement we have to consider.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Oklahoma for the present consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

Mr. WILLIAMS. Mr. President, I desire to associate myself with the Senator from Oklahoma and the other conferees on the part of the Senate in urging that the Senate adopt the conference report. I understand the report retains the provision which the conferees on the part of the Senate were instructed to insist upon, namely, the provision requiring confirmation by the Senate of the members of the Board of Directors of the Commodity Credit Corporation. As one who insisted upon retention of that provision in the bill, I wish to express my appreciation to the conferees on the part of the Senate for bringing back this report. I urge the Senate to adopt it.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL LABOR RELATIONS ACT OF 1949

Mr. LUCAS. Mr. President, I move that the Senate proceed to the consideration of Senate bill 249, Calendar No. 82.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 249) to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Illinois.

The motion was agreed to; and the Senate proceeded to consider the bill (S. 249), to diminish the causes of labor disputes burdening or obstructing interstate and foreign commerce, and for other purposes, which had been reported from the Committee on Labor and Public Welfare with amendments.

Mr. LUCAS. Mr. President, as everyone knows, this is the bill commonly known as the bill to repeal the Taft-Hartley law. There will be no consideration given to it this afternoon. As I stated yesterday, the Senate will take a recess until Monday next.

Mr. WHERRY. Is it contemplated that House bill 4016, the bill making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, will be considered, probably, on Monday?

Mr. LUCAS. I cannot advise the Senator definitely, but obviously as we move along with the labor bill, consideration of which will probably require a couple of weeks, we may have to sandwich in between the appropriation bill and some other bills.

Mr. WHERRY. I make that inquiry, because some Senators are anxious to know what is proposed to be done with respect to the appropriation bill.

Mr. LUCAS. I cannot say definitely. It is possible that we might take up the appropriation bill on Monday afternoon, but I do not think very many Senators will be away from the Senate Chamber or at least they will not be very far away from the Senate Chamber when the labor bill is being debated.

Mr. WHERRY. Mr. President, will the Senator yield for a question?

Mr. LUCAS. I yield.

Mr. WHERRY. A motion has been agreed to to take up the proposed repeal of the Taft-Hartley Act. Does that supplant the unfinished business?

Mr. LUCAS. There was no unfinished business.

Mr. WHERRY. I thought the unfinished business was the reciprocal trade agreements bill.

Mr. LUCAS. No. That was displaced some days ago when a motion was made and agreed to consider another bill.

Mr. WHERRY. The labor bill is, then, the unfinished business?

Mr. LUCAS. The Senator is correct.

Mr. THYE. Mr. President, may I inquire whether the Senate has received the conference report on the Commodity Credit Corporation bill?

Mr. LUCAS. It has been received and agreed to.

Mr. THYE. I was called to the telephone. I know that the Senate was awaiting receipt of the conference committee report. I have just returned to the Chamber. Before the Senate takes a recess I wish to make inquiry about what has happened.

Mr. LUCAS. That demonstrates how expeditiously the Senate can transact business sometimes. *

Mr. THYE. I appreciate that. I am sure that I speak for all the agricultural interests in the Nation when I say that they are very happy that the Commodity Credit Corporation bill has been finally passed.

Mr. WHERRY. Mr. President, I am sure the distinguished majority leader does not mean to convey the idea that we can transact business faster when the Senator from Minnesota is absent from the Chamber than we can when he is present. [Laughter.]

Mr. THYE. I am certain that the Senator from Illinois did not intend any such meaning by his statement.

Mr. LUCAS. The distinguished Senator from Minnesota is one of the most cooperative men I know. I have served with him for a number of years on the Committee on Agriculture and Forestry, and I always appreciate his counsel and advice.

Mr. THYE. I am very grateful to the Senator from Illinois for those remarks.

POSTMASTER

Mr. LUCAS. Mr. President, as in executive session, I ask unanimous consent for the present consideration of the nomination of a postmaster on the Executive Calendar.

The PRESIDING OFFICER. Without objection, it is so ordered. The nomination will be stated.

The legislative clerk read the nomination of Harry F. Schiewetz to be postmaster at Dayton, Ohio.

The PRESIDING OFFICER. Without objection, the nomination is confirmed and, without objection, the President will be notified.

RECESS TO MONDAY

Mr. LUCAS. I move that the Senate stand in recess until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 5 o'clock and 22 minutes p. m.) the Senate took a recess until Monday, June 6, 1949, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 2, 1949:

UNITED STATES DISTRICT JUDGE

Abraham Benjamin Conger to be United States district judge for the middle district of Georgia.

IN THE NAVY

TEMPORARY APPOINTMENTS

The nominations of Cecil C. Abbott, Jr., and other officers of the Navy for temporary appointment to the grade of lieutenant commander, subject to qualification therefor as provided by law, which were confirmed today, were received by the Senate on May 20, 1949, and appear in full in the Senate proceedings for that date under the caption "Nominations," beginning with the name of Cecil C. Abbott, Jr., which appears on page 6666, and ending with the name of Herman R. Norwood, which is shown on page 6670.

PERMANENT APPOINTMENTS

The nominations of Paul B. Nibecker and other officers for permanent appointment in the Navy, which were confirmed today, were received by the Senate on May 23, 1949, and which appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that date under the caption "Nominations," beginning with the name of Paul B. Nibecker, which is shown on page 6767, and ending with the name of William J. Moran, which appears on page 6769.

POSTMASTER

OHIO

Harry F. Schiewetz, Dayton.

a year will be permitted to come to America.

The State Department assures me that all applicants from the ranks of the expellees, as well as the DP's are carefully screened for any subversive tendencies. They have cited cases to me in which visas have been refused.

This bill provides:

No visas shall be issued under the provisions of this act, as amended, to any person who is or has been a member of or participated in, any movement which is or has been hostile to the United States or the form of government of the United States, or who advocated or assisted in the persecution of any person because of race, religion, or national origin.

Certainly, that gives us all the protection we need.

The entire bill seems to me an act of Christian charity—the least we can do for these homeless people. I sincerely trust, Mr. Chairman, that it will pass.

[Mr. FISHER addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. FISHER asked and was given permission to revise and extend his remarks.)

(Mr. PHILBIN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. PHILBIN. Mr. Chairman, it is high time that this measure was brought before this House, and I congratulate and thank my friend, the distinguished chairman of the Judiciary Committee, the gentleman from New York [Mr. CELLER], and his committee for finally ironing out the many conflicts and difficulties and bringing this vital question to a vote.

As is the case in much of the legislation coming before us this measure is a compromise. It is too much for some of our colleagues who look with suspicion and distrust upon all immigration, and it is too little for those of us who, from intimate knowledge of the fine citizenship and sterling background and character of many families in our own districts of several national and racial strains, are eager to help in the solution of this great humane question and also to reunite many worthy human beings with their own flesh and blood here in our own land of opportunity and promise.

This bill wisely extends the authority and coverage of last year's measure. We are indebted to my good friend the distinguished gentleman from Maine [Mr. FELLOWS] and his associates for breaking the ground and laying the foundation for this legislation. Under the original bill almost 200,000 applications have been processed and very substantial progress has been made in clearing the way for early action in a large number of individual cases.

It is unfortunate that racial and religious questions should be brought to bear even in a slight degree upon the settlement and discussion of this question because I am convinced that this Congress, almost to a man, is willing to lend a helping hand to those in distress and need and pleading for a chance in life regardless of their race, creed, or

social position. This bill will help to insure that result and will also assist materially in the solution of the problem of European social and economic stabilization.

It is noteworthy that safeguards are included in the bill to guarantee insofar as it is possible by legislation that we will secure a high-grade, loyal, industrious type of displaced person who will not bring subversion to this country but who will contribute those virtues and traits of character which in time will make for the national welfare and ultimately good, loyal, constructive citizenship. Therefore, the amendments which have been passed will serve to clarify and perfect the bill so as to protect against the influx of undesirable types of immigrants.

This bill will furnish new hope and promise to many distressed and shattered victims of the war. The Balts and the Poles, the ethnic Germans, Italians, and Jews, in fact, many of the peoples whose blood relatives in the past and present contributed, and are contributing, invaluable to this Nation will start virtually a new life because of this measure.

The Polish and the Lithuanians have long suffered from the scourge of war, from oppression and the postwar conditions of chaos, ferment, and privation which have afflicted so much of Europe. Together with the Italians and the ethnic Germans these peoples can and will carve out careers and find constructive lives in this country just as their relatives and fellow-country men and women have done. They all can add and contribute to the fullness and richness of our American way of life.

I am sure that the bill will pass by an overwhelming vote as it so well deserves, and I am happy indeed to lend my support to it. I hope this human and humane program will go forward efficiently, steadily, and expeditiously in order to process cases heretofore overlooked and to give early consideration and assistance to eager thousands whose relatives here are expectantly and prayerfully awaiting their arrival in the United States.

(Mr. DONOHUE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. DONOHUE. Mr. Chairman, the bill under discussion here affords us the opportunity to rightfully liberalize provisions for displaced persons admission and correct the inequities in the existing Emergency Displaced Persons Act.

When this subject was being debated here a year ago, I expressed, at that time, the earnest plea and hope for the adoption of a measure providing a wider acceptance of our responsibilities than was evidenced in the proposal then presented. I am pleased to observe that H. R. 4567, while not perfect, is a real attempt to extend a fuller measure of just treatment to those suffering thousands of displaced freedom seekers who are yearning for a new life in a new world. We all know in our hearts that their terrible predicament surrounds them through no personal fault of their own.

In our deliberation, we must not be unmindful of the fact that the elimination of these concentration camps, and other so-called zone facilities, will remove from the American taxpayer their upkeep burden, which the experts tell us amounts to well over \$200,000,000 a year. As you all know the majority portion of the expense involved in maintaining these displacement areas is carried by Uncle Sam, which means the average American citizen.

There is no intent here of breaking down our immigration barriers. All of the usual tests of fitness will continue to be applied and there is very little likelihood that the wrong kind of immigrants will be admitted. The requirements of financial guaranty, employment, and a suitable place to live, without deprivation of any American in these respects, make it practically impossible for newcomers to become public charges. The careful screening by the Federal Bureau of Investigation and the National Military Establishment will insure immigrants of good moral and physical well-being. There is no danger to our quota system and no threat of an excess of immigration beyond our power to assimilate.

A great number of these people have a long agricultural background. If we distribute them wisely and widely, according to their skills, we shall have adequate room for them without unbalancing our own economic and social stability.

These prospective immigrants are the kind of people who prized freedom enough to have suffered for it deeply and, in many cases, such as the members of the armed forces of the Republic of Poland, they fought side by side with our own soldiers in common cause against the scourge of dictatorship.

In advancing our position of world leadership, in these hesitating days, we can speak more convincingly for freedom everywhere when we have done our utmost to give real freedom to those now faced with totalitarian extinction. Let us implement our European recovery program with this further demonstration of willingness to assume a just obligation toward these persecuted refugees. They are the kind of people in whose behalf the original American tradition of asylum was established and whose immigration to these shores has enriched our country from its earliest days right up to this hour.

I heartfully urge you, my colleagues, to enact this bill into law without further delay.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. PATMAN, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H. R. 4567) to amend the Displaced Persons Act of 1948, pursuant to House Resolution 226, had directed him to report the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en grosse.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. JENNINGS. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. JENNINGS. I am, Mr. Speaker.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. JENNINGS moves to recommit the bill to the Committee on the Judiciary.

Mr. CELLER. Mr. Speaker, I move the previous question on the motion to recommit.

The previous question was ordered.

The SPEAKER. The question is on the motion to recommit.

The motion was rejected.

The SPEAKER. The question is on the passage of the bill.

The bill was passed.

A motion to reconsider was laid on the table.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendments to the bill (H. R. 2663) entitled "An act to provide for the administration of the Central Intelligence Agency, established pursuant to section 102, National Security Act of 1947, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TYDINGS, Mr. RUSSELL, Mr. BYRD, Mr. BRIDGES, and Mr. GURNEY to be the conferees on the part of the Senate.

SPECIAL COMMITTEE TO ATTEND WORLD ASSEMBLY FOR MORAL REARMAMENT

The SPEAKER. Pursuant to the provisions of House Resolution 232, Eighty-first Congress, the Chair appoints as members of the Special Committee To Attend the World Assembly for Moral Rearmament: Mr. PRESTON, of Georgia, chairman; Mr. O'TOOLE, of New York; Mr. BATTLE, of Alabama; Mr. DONDERO, of Michigan; Mr. WILSON, of Indiana.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PERSONAL EXPLANATION

Mr. MARTIN of Massachusetts. Mr. Speaker, several newspapers honestly carrying the news of yesterday's vote concerning the soldiers' pension bill stated that the gentleman from Pennsylvania [Mr. LICHTENWALTER] was paired against the bill. The gentleman

from Pennsylvania [Mr. LICHTENWALTER] is confined to his home in Pennsylvania with illness. Had he been present, he would have voted for the bill. If he had been able to secure a pair, he would have been paired in favor of the bill. It was impossible for him to secure a pair, owing to the small number who were opposed to the bill.

I make this statement so that the erroneous report in the newspapers may be corrected.

Mr. GRAHAM. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Massachusetts. I yield.

Mr. GRAHAM. Mr. Speaker, the gentleman from Pennsylvania [Mr. LICHTENWALTER] telephoned me and asked me to have him paired in favor of the bill. I endeavored to have that done. Unfortunately, that could not be done, due to the small number who were opposed to the bill. However, the gentleman from Pennsylvania [Mr. LICHTENWALTER] asked to have himself paired in favor of the passage of the bill. I make this statement in fairness to him about the matter.

COMMODITY CREDIT CORPORATION CHARTER ACT

Mr. SPENCE, from the Committee on Banking and Currency, submitted the following conference report and statement on the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, for printing in the RECORD:

CONFERENCE REPORT (H. REPT. No. 643)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words 'direction and control of its Board of Directors' at the end of the said section and substituting therefor the words 'supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary"))'.

"SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: 'The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned

storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold-storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets.'

"SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. Directors, Advisory Board: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the "Board"), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member

who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

"SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

"SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

"(a) by inserting in the second sentence thereof after the word 'jurisdiction' a comma and the following: 'without regard to the amount in controversy;';

"(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: 'No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit.'; and

"(c) by inserting before the period at the end thereof a comma and the following: 'except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in

the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court."

"SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'"

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

And the House agree to the same.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

ELMER THOMAS,
ALLEN J. ELLENDER,
CLINTON P. ANDERSON,
GEORGE D. AIKEN,
MILTON R. YOUNG,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 900) to amend the Commodity Credit Corporation Charter Act, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The committee of conference recommended that the Senate recede from its disagreement to the amendment of the House with an amendment which is a substitute for both the Senate bill and the House amendment and that the House agree to the same.

In general the conference substitute follows the language of the House amendment. Except for clarifying changes, the differences between the conference substitute and the House amendment are indicated below.

The House amendment provided that the members of the Board of Directors of the Commodity Credit Corporation would be appointed by the Secretary of Agriculture and serve at his pleasure. The Senate bill provided that the members of the Board of Directors would be appointed by the President, by and with the advice and consent of the Senate. The conference substitute contains the provision of the Senate bill providing that the Board of Directors of the Corporation be appointed by the President by and with the advice and consent of the Senate.

The House amendment modified the provision in the present Charter Act which prohibits the Corporation from acquiring real property or any interest therein in such a manner that the Corporation could rent or lease office space necessary for the conduct of its business, or acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing and discharging obligations owing to the Corporation, or of otherwise protecting the financial interest of the Corporation. The Senate bill contained a similar provision excepting, however, the Senate bill provided that such authority could not be used for storage for

cotton, tobacco, and refrigerated cold storage. The conference substitute contains the language of the House amendment and the following proviso with respect to refrigerated cold storage: "*Provided further*, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose."

The conference substitute would permit the Corporation to lease refrigerated cold storage facilities but would prohibit it from constructing or purchasing such facilities except with funds specifically provided by Congress for that purpose. This limitation on the construction or purchase of refrigerated cold storage facilities is not intended to prevent the Corporation from making replacements of machines and equipment, repairs or improvements necessary to operate and maintain leased cold storage facilities.

Both the House amendment and the Senate bill contained a provision, included in the conference substitute, which provides that before the Corporation could acquire real property or any interest therein for the purpose of providing storage facilities for any commodity, it must determine that existing privately owned storage facilities for such commodity in the area concerned are not adequate. It is understood that the Corporation, in its determination of the adequacy of storage space "in the area concerned," will give due consideration to marketing and storage practices employed by private agencies in the case of the particular commodity involved. For some commodities, especially those which are largely consumed on or near the farms which produce them, the "area concerned" must of necessity mean the immediate area in which the commodity is produced, because it is not customary or practicable to store the commodity in areas remote from points of origin. For other commodities a different situation prevails. In the case of cotton, as an example, the "area concerned" could well mean the entire cotton-producing belt. The whole cotton-marketing system, as well as the freight-rate structure, is built around the fact that cotton moves for storage toward the ports and consuming mills at no additional expense to the grower.

Wool, as another example, normally is stored in the consuming areas of the Northeast, far removed from the heavier producing areas of the West.

This fact has been recognized by the Corporation in the operation of its cotton loan and purchase programs. Where threatened or confronted with total local cotton stocks in excess of local storage capacity, it has been the practice of the Corporation to "reconcentrate" sufficient loan or purchased stocks to provide storage space for the remainder of local cotton-storage demand. Such "reconcentrated" cotton has been moved to available cotton-storage facilities en route to ports of exportation and domestic consuming areas so that, under the railroad cotton rate and "transit" structure, the cotton could be reshipped to consuming destinations without loss in transportation costs. This practice—common among private cotton marketing agencies—recognizes the economy of utilizing available storage capacity along routes of normal movement, as opposed to the waste involved in providing additional local storage capacity which will not be substantially utilized year after year.

In its 1943 cotton-loan program, the Corporation applied this principle in inaugurating its "receiving agency" arrangements, under which the Corporation "receiving agent" would receive the cotton from the producer, and, without delay, provide the producer with full benefits of the loan program. Such cotton was placed under railroad bills of lading, consigned to available cotton warehouses located along authorized railroad routes to seaports and domestic consuming

areas. Under this procedure, the railroad bills of lading, initially used in lieu of warehouse receipts in consummating the loan, are later exchanged for insured warehouse receipts issued by the warehouses to which the cotton is consigned. This procedure has operated to the satisfaction of all concerned. It permits prompt use of the loan procedure by cotton producers, and maximum economical utilization of available cotton storage facilities.

The House amendment contained a provision with respect to the storage of grain on farms which provided that the Corporation shall make loans not to exceed 17½ cents per bushel of the estimated crop to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price-support loans or purchase agreements made by the Corporation and the growers. The Senate bill contained no similar provision. The conference substitute follows the language of the House amendment except that it eliminates the condition that the loans not exceed 17½ cents per bushel of the estimated crop.

The provision for loans to grain growers for financing the construction or purchase of suitable storage does not intend that the Corporation (1) shall be limited in any way in utilizing other authority contained in its charter to assist farmers including other than grain farmers by loans or other means in providing adequate storage facilities; (2) shall look exclusively to the proceeds of price-support loans or purchase agreements received by the grower for the repayment of the loan to the grower for storage facilities; (3) shall be restricted from making loans available to growers for storage facilities through banks and other established lending agencies; and (4) shall be required to apply the full amount of the proceeds of any price support received by a grower against the loan made to the grower for storage. (On the contrary, it is contemplated that the Corporation would provide for repayment of the loan over a period of time.)

Both the Senate bill and the House amendment contained provisions permitting the Commodity Credit Corporation to exchange agricultural commodities for strategic and critical materials produced abroad. The Senate bill placed these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act. The House amendment set them forth as an amendment to the act approved August 11, 1939, entitled "An act to facilitate the execution of arrangements for the exchange of surplus agricultural commodities produced in the United States for reserve stocks of strategic and critical materials produced abroad." The conference substitute places these provisions in section 4 (h) of the Commodity Credit Corporation Charter Act and follows the language of the provision in the House amendment except that there was added thereto the words "easily storable," contained in the Senate bill, in the description of the agricultural commodities which shall be given priority in exchange for strategic and critical materials, and there was also added a provision contained in the Senate bill that strategic and critical materials acquired by Commodity Credit Corporation shall be transferred to the stock pile "to the extent approved by the Munitions Board of the National Military Establishment." In placing the authority for the exchange of agricultural commodities for strategic and critical materials in the Commodity Credit Corporation Charter Act, as did the Senate bill, the term "agricultural commodities" has the meaning ascribed to it

in section 2 of the Commodity Credit Corporation Charter Act.

BRENT SPENCE,
PAUL BROWN,
WRIGHT PATMAN,
MIKE MONRONEY,

Managers on the Part of the House.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill S. 900, to amend the Commodity Credit Corporation Charter Act, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

Mr. NICHOLSON. Mr. Speaker, reserving the right to object, may I ask what the conference report has agreed to?

Mr. SPENCE. The Senate came back and instructed the conferees to insist that the board of directors be confirmed by the Senate. We agreed to that.

The Senate also receded on the provision that the Advisory Committee should be confirmed by the Senate. The Advisory Committee is not confirmed by the Senate. The board of directors is confirmed by the Senate.

The other provisions of the bill remain as they were in the previous report which was adopted by the House.

Mr. GAMBLE. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield.

Mr. GAMBLE. The appointment of the Board is made by the President, in addition to the confirmation?

Mr. SPENCE. The appointment is made by the President and confirmed by the Senate.

The SPEAKER. Is there objection to the present consideration of the conference report?

There was no objection.

Mr. SPENCE. Mr. Speaker, I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. SPENCE]?

There was no objection.

The Clerk read the statement as above set out.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

COMPREHENSIVE PLAN FOR SITE ACQUISITIONS

Mr. WHITTINGTON. Mr. Speaker, I ask unanimous consent that the conferees on S. 714, a bill to provide for comprehensive planning, and so forth, and for other purposes, have until midnight tonight to file the conference report for printing under the rule.

Members will recall that S. 714 was amended in the House to strike out all after the enacting clause and insert H. R. 3662.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi [Mr. WHITTINGTON]?

There was no objection.

EXTENSION OF REMARKS

Mr. HARDY asked and was granted permission to extend his remarks in the Appendix of the RECORD and include an address by General Vandenberg.

Mr. MURDOCK asked and was granted permission to extend his remarks in the Appendix of the RECORD and include extraneous matter.

Mr. FLOOD asked and was granted permission to extend his remarks in the RECORD and include a statement from the United Mine Workers Journal.

Mr. RODINO asked and was granted permission to extend his remarks in the RECORD and include an editorial.

PERMISSION TO ADDRESS THE HOUSE

Mr. MARTIN of Massachusetts. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to ask about the program for the coming week.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

PROGRAM FOR WEEK OF MONDAY, JUNE 6, 1949

Mr. McCORMACK. On Monday we will have the Consent Calendar only.

Tuesday: The Private Calendar and the bill H. R. 2785, the United Nations International Pilgrims' Emergency Fund. We want to get through before 4 o'clock on Tuesday because there is to be a Democratic caucus.

Wednesday: H. R. 4754, the Federal Property and Administrative Service Act of 1949. This is a bill carrying out some of the reorganization recommendations and features of the Hoover Commission.

Thursday: The gentleman from Missouri [Mr. CANNON] just conferred with me and tells me that he will have the legislative appropriation bill ready for Thursday. That bill will be called up on Thursday.

Conference reports, of course, may be called up at any time. I might say also that there are a couple of rules that might come out, one on extra clerk hire if that rule is reported out; and I think there is a bill on the Speaker's desk about overtime on overtime. If a rule is reported out on that from the Committee on Rules, it will be called up, but not on Monday or Tuesday.

If there is any further program, I will announce it during the coming week.

EXTENSION OF REMARKS

Mr. DEANE asked and was given permission to revise and extend the remarks he made in the Committee of the Whole and to include letters from two religious organizations.

Mr. GARMATZ asked and was given permission to extend his remarks in the RECORD and include an article from the Baltimore Evening Sun.

Mr. JACKSON of Washington (at the request of Mr. BIEMILLER) was given permission to extend his remarks in the Appendix of the RECORD.

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to insert in the RECORD an address by my old friend, the

Res. 125), which was referred to the Committee on Foreign Relations:

Resolved, That the Committee on Foreign Relations, or any duly authorized subcommittee thereof, is authorized and directed to conduct a full and complete study and investigation of all matters relating to the conduct and status of the denazification program in the zone of Germany under occupation by the United States, especially as concerns (a) the result of transferring responsibility for denazification to the German authorities; (b) whether or not there is infiltration of former Nazis, Nazi supporters and other anti-democratic elements into renazification tribunals; (c) whether or not former Nazis and other antidemocratic elements have been eliminated from high position in public office and the economic life of Germany; (d) whether or not there has been reinstatement of thousands of Nazi teachers to former or higher positions in the Bavarian and other public school systems; (e) whether or not there is resurgence of intensive anti-Semitism and militant nationalism in the United States zone; (f) whether or not there is a rise of strong new political parties based on Nazi doctrine and militarism; (g) whether or not there has been reappearance of Nazi-type propaganda in the German press; (h) whether or not there is development in the German youth of appreciation of and devotion to democratic institutions; and to report with expedition its findings, together with such recommendations as it deems proper, to the Senate.

SEC. 2. For the purposes of this resolution, the Committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such times and places during the sessions, recesses, and adjourned periods of the Eighty-first Congress, as to employ upon a temporary basis such technical, clerical and other assistants, to require by subpoena or otherwise the attendance of such witnesses and the production of such correspondence, books, papers, and documents, to administer such oaths, to take such testimony, and to make such expenditures, as it deems advisable. The committee is authorized, with the consent of the head of the department or agency concerned, to utilize the service, information, and facilities of any of the departments or agencies of the Government. The expenses of the Committee under this resolution, which shall not exceed _____, shall be paid from the contingent fund of the Senate upon vouchers approved by the Chairman of the Committee.

INCORPORATION OF RESERVE OFFICERS OF UNITED STATES—ADDITIONAL COSPONSOR OF BILL

Mr. BRICKER. Mr. President, I ask unanimous consent that the Senator from New Hampshire [Mr. BRIDGES] be joined as a cosponsor of Senate bill 1986, to incorporate the Reserve Officers Association of the United States.

The VICE PRESIDENT. Without objection, it is so ordered.

FERNANDO GERASSI ET AL.—INDEFINITE POSTPONEMENT OF BILL

Mr. KILGORE. Mr. President, Senate bills 1155 and 1199, for the relief of Fernando Gerassi, Estefania Maria Gerassi, and John Gerassi, are pending before the Committee on the Judiciary, both introduced by me. The bills are identical. I ask unanimous consent that the Committee on the Judiciary be discharged from the further consideration of Senate bill 1199, and that it be indefinitely postponed.

The VICE PRESIDENT. Without objection, it is so ordered.

HOUSE BILLS AND JOINT RESOLUTIONS REFERRED

The following bills and joint resolutions were severally read twice by their titles, and referred, as indicated:

H. R. 173. An act to amend the Organic Acts of Hawaii and Puerto Rico to prevent the loss of nationality of certain persons declared to be citizens of the United States under said acts;

H. R. 1694. An act to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects;

H. R. 2121. An act to direct the Secretary of the Interior to convey abandoned school properties in the Territory of Alaska to local school officials;

H. R. 2170. An act authorizing changes in the classification of Crow Indians;

H. R. 2610. An act to include in section 16 of the act of June 18, 1934 (48 Stat. 984), the Mdewakanton and Wahpekute Sioux Indians of the State of Minnesota;

H. R. 2783. An act to authorize the Secretary of the Interior to convey a certain parcel of land, with improvements, to the city of Alpena, Mich.;

H. R. 4000. An act to amend section 16 of the Hawaiian Organic Act relative to disqualification of legislators;

H. R. 4586. An act to authorize the government of the Virgin Islands or any municipality thereof to issue bonds and other obligations; and

H. J. Res. 33. Joint resolution for the ratification by Congress of a contract for the purchase of certain Indian lands by the United States from the Three Affiliated Tribes of Fort Berthold Reservation, N. Dak., and for other related purposes; to the Committee on Interior and Insular Affairs.

H. R. 263. An act to authorize the Secretary of the Navy to grant to the county of Orange, Calif., a perpetual easement for the maintenance and operation of a public highway, and to grant to the Irvine Co., a corporation, a perpetual easement for the maintenance, operation, and use of a water pipe line, in the vicinity of the naval air base, Santa Ana, Orange County, Calif.;

H. R. 2417. An act to authorize the Secretary of the Air Force to operate and maintain a certain tract of land at Valpariso, Fla., near Eglin Air Force Base, as a recreational facility;

H. R. 3155. An act to amend Public Law, 835, Eightieth Congress, chapter 813, second session; and

H. R. 4384. An act to provide for the appointment of female doctors and specialists in the Medical Department of the Army, and for other purposes; to the Committee on Armed Services.

H. R. 2501. An act authorizing and directing the United States Fish and Wildlife Service of the Department of the Interior to undertake a continuing study of the shad, *Alosa sapidissima*, of the Atlantic coast with respect to the biology, propagation, and abundance of such species to the end that such Service may recommend to the several States of the Atlantic coast through the Atlantic States Marine Fisheries Commission appropriate measures for arresting the decline of this valuable food fish and for increasing the abundance and promoting the wisest utilization thereof;

H. R. 2634. An act to provide transportation of passengers and merchandise on Canadian vessels between Skagway, Alaska, and other points in Alaska, between Haines, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation;

H. R. 3046. An act to authorize the expansion of facilities at the Cape Vincent, N. Y., fish cultural station;

H. R. 4252. An act to transfer the trawlers *Alaska* and *Oregon* from the Reconstruction Finance Corporation to the Fish and Wildlife Service; and

H. J. Res. 202. Joint resolution to amend the act of August 8, 1946, relating to investigation and eradication of predatory sea lampreys of the Great Lakes, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H. R. 3111. An act to amend an act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1896, and acts amendatory thereof and supplementary thereto; and to repeal subdivision b of section 64, subdivision h of section 70, and section 118 thereof and all acts and parts of acts inconsistent therewith;

H. R. 4387. An act to authorize relief of authorized certifying officers of terminated war agencies in liquidation by the Treasury Department;

H. J. Res. 238. Joint resolution to provide the privilege of becoming a naturalized citizen of the United States to all immigrants having a legal right to permanent residence; and

H. J. Res. 241. Joint resolution authorizing the President of the United States of America to proclaim October 11, 1949, General Pulaski's Memorial Day for the observance and commemoration of the death of Brig. Gen. Casimir Pulaski; to the Committee on the Judiciary.

H. R. 3756. An act to amend the Civil Service Retirement Act of May 29, 1930, to provide that the annuities of certain officers and employees engaged in the enforcement of the criminal laws of the United States shall be computed on the basis of their average basic salaries for any five consecutive years of allowable service; and

H. R. 4498. A bill to amend section 6 of the act of April 15, 1938, to expedite the carriage of mail by granting additional authority to the Postmaster General to award contracts for the transportation of mail by aircraft upon star routes; to the Committee on Post Office and Civil Service.

H. J. Res. 203. Joint resolution to amend the joint resolution creating the Niagara Falls Bridge Commission, approved June 16, 1938; to the Committee on Foreign Relations.

ADDRESS BY SENATOR GRAHAM AT GRADUATION EXERCISES OF THE UNIVERSITY OF NORTH CAROLINA

[Mr. HOEY asked and obtained leave to have printed in the RECORD the Commencement Address delivered by Senator GRAHAM at the University of North Carolina on June 6, 1949, which appears in the Appendix.]

ADDRESS BY OSCAR L. CHAPMAN AT FRANKLIN D. ROOSEVELT MEMORIAL SERVICES

[Mr. HUMPHREY asked and obtained leave to have printed in the RECORD an address by Hon. Oscar L. Chapman, Under Secretary of the Interior, at the memorial services for Franklin D. Roosevelt at Hyde Park, N. Y., May 30, 1949, which appears in the Appendix.]

GOVERNMENT WHEAT FILLS STORAGE SPACE—EDITORIAL FROM KANSAS CITY (MO.) GRAIN MARKET REVIEW

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an editorial entitled "Government Wheat Fills Storage Space," published in the Kansas City (Mo.) Grain Market Review of June 2, 1949, which appears in the Appendix.]

AMERICA AT THE CROSS ROADS—EXCERPT FROM ADDRESS BY G. E. BLEWETT

[Mr. WILLIAMS asked and obtained leave to have printed in the RECORD an excerpt

from an address delivered by G. E. Blewett, before the Kiwanis Club of Denton, Tex., on the subject American at the Cross Roads, which appears in the Appendix.]

POLITICS BEFORE PEACE—EDITORIAL FROM THE PITTSBURGH PRESS

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "Politics Before Peace," published in the Pittsburgh Press of June 5, 1949, which appears in the Appendix.]

TO THE VICTORS—EDITORIAL FROM THE SOMERSET (PA.) DAILY AMERICAN

[Mr. MARTIN asked and obtained leave to have printed in the RECORD an editorial entitled "To the Victors," published in the Somerset (Pa.) Daily American of June 4, 1949, which appears in the Appendix.]

SOCIALISM IN GREAT BRITAIN—ARTICLES FROM LONDON DAILY TELEGRAPH

[Mr. ROBERTSON asked and obtained leave to have printed in the RECORD two articles from the London Daily Telegraph, one entitled "Abandoned Coal-to-Oil Plan Cost £3,000,000," and the other entitled "Nationalism Is Frustrating," which appear in the Appendix.]

GENERAL MOTORS REQUEST FOR BONUS APPROVAL BY SECURITIES AND EXCHANGE COMMISSION

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "General Motors Asks SEC O. K. on \$20,000,000 Bonus," published in the Washington Times-Herald of June 2, 1949, which appears in the Appendix.]

UNITED STATES OCCUPATION POLICIES IN JAPAN AND GERMANY

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an article entitled "VFW Head Flays 'Soft' Policies in the United States Occupation Forces," published in the Washington Times-Herald of May 8, 1949, and a radio address delivered by Commander in Chief Loyall T. Beggs, of the Veterans of Foreign Wars on May 7, 1949, which appear in the Appendix.]

A CIVIL RIGHTS BILL—EDITORIAL FROM THE NEW YORK TIMES

[Mr. KILGORE asked and obtained leave to have printed in the RECORD an editorial entitled "A Civil Rights Bill," published in the New York Times of June 7, 1949 which appears in the Appendix.]

THE TAFT-HARTLEY LAW—EDITORIAL FROM WAUKESHA DAILY FREEMAN AND STATEMENT BY DEWITT EMERY

[Mr. WILEY asked and obtained leave to have printed in the RECORD an editorial from the Waukesha Daily Freeman of May 4, 1949, and a statement by DeWitt Emery, president of the National Small Businessmen's Association, regarding the Taft-Hartley law, which appear in the Appendix.]

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. JOHNSTON of South Carolina, the Subcommittee on Postal Rates of the Committee on Post Office and Civil Service was granted permission to meet during the session of the Senate today.

MEETING OF SUBCOMMITTEE ON BANKING AND CURRENCY

Mr. FREAR. I ask unanimous consent that a subcommittee of the Committee on Banking and Currency may hold a conference this afternoon at 2:30. I should like to extend an invitation to any Senator who may be interested to at-

tend the meeting, which is to be held in the District of Columbia Committee room.

The VICE PRESIDENT. Is there objection to the request? The Chair hears none, and it is so ordered.

INTERPRETATION OF CERTAIN PHRASE OF COMMODITY CORPORATION CHARTER ACT

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have printed in today's RECORD and in the body of the permanent RECORD immediately following my remarks as found on page 7305 of the daily RECORD an interpretation of certain provisions of S. 900, as prepared by Mr. Harker T. Stanton, the assistant counsel of the legislative counsel of the United States Senate.

There being no objection, the matter referred to was ordered to be printed in the RECORD of today and in the permanent RECORD following the remarks of Senator WILLIAMS on page 7305 of the RECORD of June 2, 1949, as follows:

MEMORANDUM FOR SENATOR WILLIAMS

This is in response to your request for our views as to the meaning of the phrase "general supervision and direction of the Secretary" contained in sections 2 and 9 of the Commodity Credit Corporation Charter Act, as amended by S. 900. Section 2 of the Charter Act, as it would be amended by S. 900, provides that the Corporation shall be subject to the general supervision and direction of the Secretary of Agriculture. Section 9 of the Charter Act as it would be amended by S. 900 vests the management of the Corporation in a board of directors, subject to the general supervision and direction of the Secretary.

Since the management of the Corporation is vested in its Board of Directors, no action can be taken by the Corporation except upon the direction of its Board of Directors and the Secretary can supervise and direct the Corporation only through the Board. It is our view, therefore, that the phrase in question is intended only to express the intention of Congress that the Board of Directors shall manage the Corporation in accordance with the policies prescribed by the Secretary of Agriculture.

In any case in which the Board refuses to act as directed by the Secretary, there are no means available to the Secretary to require the Corporation to act. Since the Secretary does not have the power to appoint or remove Directors, his only recourse in such event would be to request the President to remove the Directors who disagreed with the Secretary. Inasmuch as it is the Corporation that is authorized by law to borrow up to \$4,750,000,000, no part of such amount could be borrowed except upon action of the Board.

Respectfully,

HARKER T. STANTON,
Assistant Counsel.

JUNE 6, 1949.

COMPARISON OF WAGNER ACT, TAFT-HARTLEY ACT, AND SENATE BILL 249

Mr. WILEY. Mr. President, I am not a member of the Committee on Labor and Public Welfare. I suppose that shortly we shall resume the consideration and discussion of the national labor policy. I have before me a comparison of the National Labor Relations Act, that is to say, the Wagner Act of 1935; the Labor-Management Act of 1947, known as the Taft Hartley Act; and Senate bill 249, the administration's labor-relations bill which was introduced by the

Senator from Utah [Mr. THOMAS]. This comparison is nonpartisan. It sets forth in a very fine, comparative manner the various provisions of the three measures. It has been prepared by the National Small Business Men's Association. No conclusions are presented; it is simply a comparison.

I have been informed that in order to have this comparison placed on the desks of Senators, it will be necessary for me to obtain unanimous consent to that effect, in view of some regulation or rule which we have. So, Mr. President, I ask unanimous consent that I may be permitted to have this comparison circulated in the Senate Chamber and placed on the desks of Senators, because as we enter into the debate on the labor-relations bill, I feel that all of us should have the benefit of this comparative statement, in succinct form, which will bring much information and light to those of us in the Senate who have not had the privilege of serving on the Committee on Labor and Public Welfare. I ask such unanimous consent.

The VICE PRESIDENT. Is there objection to the unanimous-consent request of the Senator from Wisconsin? The Chair hears none, and it is so ordered.

DEPARTMENTS OF STATE, JUSTICE, COMMERCE, AND THE JUDICIARY APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 4016) making appropriations for the Departments of State, Justice, Commerce, and the Judiciary, for the fiscal year ending June 30, 1950, and for other purposes.

Mr. McCARRAN. Mr. President, there is pending before the Senate, House bill 4016, making appropriations for the Department of State, the Department of Justice, the Department of Commerce, and the Judiciary. I request the particular attention of the Senate, because this measure is the first appropriation bill which has come from the Senate Appropriations Committee to the floor of the Senate this year with a reduction in the amount of the appropriations allowed by the House of Representatives. I especially invite the attention of the Senate to the fact that the amount of the bill as passed by the House of Representatives was \$684,616,106. The amount of the decrease recommended by the Senate committee is a net of \$12,833,821; the amount of the bill as reported from the Senate Appropriations Committee to the Senate is \$671,782,281.

There should be drawn to the attention of the Senate the further fact that the entire appropriation bill for 1949 for these agencies was in the amount of \$599,704,390. I especially call attention to the further fact that the first and second deficiency appropriation bills for these agencies for 1949 increased that amount by \$90,178,731, making a total of funds for those agencies available for the year 1949, inclusive of the deficiency allowances, of \$697,892,121.

The bill now before the Senate, making appropriations for 1950, provides for appropriation allowances, as recommended by the committee, of \$671,782,281. The bill in that amount, for ap-

[PUBLIC LAW 85—81ST CONGRESS]

[CHAPTER 175—1ST SESSION]

[S. 900]

AN ACT

To amend the Commodity Credit Corporation Charter Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 of the Commodity Credit Corporation Charter Act (Public Law Numbered 806, Eightieth Congress) is amended by deleting the words "direction and control of its Board of Directors" at the end of the said section and substituting therefor the words "supervision and direction of the Secretary of Agriculture (hereinafter referred to as the 'Secretary')".

SEC. 2. Section 4 (h) of the said Commodity Credit Corporation Charter Act is amended by deleting the second sentence thereof and inserting in its place the following: "The Corporation shall have power to acquire personal property necessary to the conduct of its business but shall not have power to acquire real property or any interest therein except that it may (a) rent or lease office space necessary for the conduct of its business and (b) acquire real property or any interest therein for the purpose of providing storage adequate to carry out effectively and efficiently any of the Corporation's programs, or of securing or discharging obligations owing to the Corporation, or of otherwise protecting the financial interests of the Corporation: *Provided*, That the authority contained in this subsection (h) shall not be utilized by the Corporation for the purpose of acquiring real property, or any interest therein, in order to provide storage facilities for any commodity unless the Corporation determines that existing privately owned storage facilities for such commodity in the area concerned are not adequate: *Provided further*, That no refrigerated cold storage facilities shall be constructed or purchased except with funds specifically provided by Congress for that purpose: *And provided further*, That nothing contained in this subsection (h) shall limit the duty of the Corporation, to the maximum extent practicable consistent with the fulfillment of the Corporation's purposes and the effective and efficient conduct of its business, to utilize the usual and customary channels, facilities, and arrangements of trade and commerce in the warehousing of commodities: *And provided further*, That to encourage the storage of grain on farms, where it can be stored at the lowest cost, the Corporation shall make loans to grain growers needing storage facilities when such growers shall apply to the Corporation for financing the construction or purchase of suitable storage, and these loans shall be deducted from the proceeds of price support loans or purchase agreements made between the Corporation and the growers. Notwithstanding any other provision of law, the Commodity Credit Corporation is authorized, upon terms and conditions prescribed or approved by the Secretary of Agriculture, to accept strategic and critical materials

produced abroad in exchange for agricultural commodities acquired by the Corporation. Insofar as practicable, in effecting such exchange of goods, normal commercial trade channels shall be utilized and priority shall be given to commodities easily storable and those which serve as prime incentive goods to stimulate production of critical and strategic materials. The determination of the quantities and qualities of such materials which are desirable for stock piling and the determination of which materials are strategic and critical shall be made in the manner prescribed by section 2 of the Strategic and Critical Materials Stock Piling Act (60 Stat. 596). Strategic and critical materials acquired by Commodity Credit Corporation in exchange for agricultural commodities shall, to the extent approved by the Munitions Board of the National Military Establishment, be transferred to the stock pile provided for by the Strategic and Critical Materials Stock Piling Act; and when transferred to the stock pile the Commodity Credit Corporation shall be reimbursed for the strategic and critical materials so transferred to the stock pile from the funds made available for the purpose of the Strategic and Critical Materials Stock Piling Act, in an amount equal to the fair market value, as determined by the Secretary of the Treasury, of the material transferred to the stock pile. Nothing contained herein shall limit the authority of the Commodity Credit Corporation to acquire, hold, or dispose of such quantity of strategic and critical materials as it deems advisable in carrying out its functions and protecting its assets."

SEC. 3. Section 9 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 9. DIRECTORS, ADVISORY BOARD: (a) The management of the Corporation shall be vested in a board of directors (hereinafter referred to as the 'Board'), subject to the general supervision and direction of the Secretary. The Secretary shall be an ex officio director and shall serve as Chairman of the Board. The Board shall consist of six members (in addition to the Secretary), who shall be appointed by the President by and with the advice and consent of the Senate. In addition to their duties as members of the Board, such appointed members shall perform such other duties as may be prescribed by the Secretary. Each appointed member of the Board shall receive compensation at such rate not in excess of the maximum then payable under the Classification Act of 1923, as amended, as may be fixed by the Secretary, except that any such member who holds another office or position under the Federal Government the compensation for which exceeds such rate may elect to receive compensation at the rate provided for such other office or position in lieu of the compensation provided by this section. A majority of the directors shall constitute a quorum of the Board and action shall be taken only by a majority vote of those present.

"(b) In addition to the Board of Directors there shall be an advisory board reflecting broad agricultural and business experience in its membership and consisting of five members who shall be appointed by the President, and who shall serve at the pleasure of the President. Not more than three of such members shall belong to the same political party. The advisory board shall meet at the call of the Secretary, who shall require it to meet not less often than once each ninety days; shall survey the general policies of the Corporation, including its

policies in connection with the purchase, storage, and sale of commodities, and the operation of lending and price-support programs; and shall advise the Secretary with respect thereto. Members of the advisory board shall receive for their services as members compensation of not to exceed \$50 per diem when actually engaged in the performance of their duties as such, together with their necessary traveling expenses while going to and coming from meetings."

SEC. 4. Section 10 of the said Commodity Credit Corporation Charter Act is amended to read as follows:

"SEC. 10. Personnel of Corporation: The Secretary shall appoint such officers and employees as may be necessary for the conduct of the business of the Corporation, define their authority and duties, delegate to them such of the powers vested in the Corporation as he may determine, require that such of them as he may designate be bonded and fix the penalties therefor. The Corporation may pay the premium of any bond or bonds. With the exception of experts, appointments shall be made pursuant to the civil service laws and the Classification Act of 1923, as amended (5 U. S. C., 1946 edition, 661)."

SEC. 5. Section 4 (c) of the Commodity Credit Corporation Charter Act is amended—

(a) by inserting in the second sentence thereof after the word "jurisdiction" a comma and the following: "without regard to the amount in controversy,";

(b) by striking out the fourth sentence thereof and inserting in lieu thereof the following: "No suit by or against the Corporation shall be allowed unless (1) it shall have been brought within six years after the right accrued on which suit is brought, or (2) in the event that the person bringing such suit shall have been under legal disability or beyond the seas at the time the right accrued, the suit shall have been brought within three years after the disability shall have ceased or within six years after the right accrued on which suit is brought, whichever period is longer. The defendant in any suit by or against the Corporation may plead, by way of set-off or counterclaim, any cause of action, whether arising out of the same transaction or not, which would otherwise be barred by such limitation if the claim upon which the defendant's cause of action is based had not been barred prior to the date that the plaintiff's cause of action arose: *Provided*, That the defendant shall not be awarded a judgment on any such set-off or counterclaim for any amount in excess of the amount of the plaintiff's claim established in the suit."; and

(c) by inserting before the period at the end thereof a comma and the following: "except that (1) any such suit against the United States based upon any claim of the type enumerated in title 28, section 1491, of the United States Code, may be brought in the United States Court of Claims, and (2) no such suit against the United States may be brought in a district court unless such suit might, without regard to the provisions of this Act, be brought in such court".

SEC. 6. Section 15 of the Commodity Credit Corporation Charter Act is amended by adding at the end thereof a new subsection as follows:

"USE OF WORDS 'COMMODITY CREDIT CORPORATION'

"(f) No individual, association, partnership, or corporation shall use the words 'Commodity Credit Corporation' or any combination of the same, as the name or a part thereof under which he or it shall do or purport to do business. Every individual, partnership, association, or corporation violating this prohibition shall be guilty of a misdemeanor and shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than one year, or both."

Approved June 7, 1949.

